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CEAUSESCU WELCOMES BLOC CC SECRETARIES

AU192124 Bucharest AGERPRES in English 2045 GMT 19 Dec 85

[Text] Bucharest, AGERPRES 19/12/1985 -- Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, received on December 19 the secretaries for international affairs and ideology of Central Committees of communist and worker's parties of some socialist countries who participate in the Bucharest meeting.

Nicolae Ceausescu warmly welcomed the guests and addressed them a warm salute in behalf of the party leadership and in his own behalf. At the same time, the party's general secretary expressed his confidence that the Bucharest meeting would help developing the collaboration and strengthening the unity and solidarity between our parties, countries and peoples.

In behalf of the meeting participants, B.N. Ponomarev warmly thanked for the interview granted, for the conditions provided for the proper unfolding of the meeting. He also conveyed to the romanian party and state leader a friendly salute and best wishes from Mikhail Gorbachev, general secretary of the Central Committee of the CPSU. A cordial salute and wishes of success in his entire activity were also conveyed to Nicolae Ceausescu from the leaders of the communist and workers' parties represented at the meeting in Bucharest.

Nicolae Ceausescu, the party's general secretary, thanked for the salute conveyed by the general secretary of the CPSU Central Committee and requested that Mikhail Gorbachev be conveyed his salute and best wishes. He also conveyed to the general secretaries and first secretaries of the Central Committees, to the Political Bureaus, to the leaderships of the communist and workers' parties present in the meeting a warm, comradely salute from the RCP leadership and from himself.

Approaching the major issues facing contemporary world, Nicolae Ceausescu reiterated the position of the Romanian Communist Party of Socialist Romania, according to which the fundamental issue of our days was to halt the arms race and pass to disarmament, nuclear above all, to defend the supreme right of people, of nations, to free and dignified existence, to peace and life.

Stressing that there was no more urgent task now than to work firmly for the halting of the dangerous course of events, the RCP general secretary emphasized that an increased role under the current international circumstances devolved upon the socialist countries, upon the consolidation of their solidarity and collaboration as an element of major importance in the struggle for peace and disarmement. Emphasis was placed on the topical character of the assessments and conclusions comprised in the declaration endorsed at the recent Sofia meeting of the Political Consultative Committee of the Warsaw Treaty participant states regarding the intensification of the socialist countries' joint struggle for halting the arms race, for strengthening security and peace in Europe and the world over.

The fact was pointed out that more than ever the socialist countries are necessary to further maintain the initiative, carry out actions and table concrete proposals regarding halting the testing and production of nuclear weapons, diminishing the military spending and effectives, through unilateral measures included.

Appreciating on this occasion, too, the importance of the Soviet-American summit in Geneva, that concluded with a series of positive results, the head of our party and state showed the meeting would prove its historic importance only if agreements mutually acceptable to both sides are reached on the nuclear disarmament.

The party general secretary considered that now, after the Geneva summit, it is more necessary than ever for all the peoples, the realistic and progressive forces everywhere to intensify their political and diplomatic efforts in view of causing a passage to measures for real disarmament, nuclear disarmament in the first place, for preventing the militarization of the outer space. Brought to the fore were the proposals issued to this end by the socialist countries for halting the production, testing and deployment of further nuclear weapons and, in the context, stress was laid on the role incumbent on the propaganda activity in mobilizing amply the public opinion for an intensification of the struggle for peace, disarmament and detente, to provide conditions for a wide international collaboration.

Referring to the importance of the meeting proceeding in Bucharest, Comrade Nicolae Ceausescu showed that the propaganda acticity was called to bring to the fore in a more marked way the historic achievements of the socialist countries, the great superiority of the system being built by the peoples of these countries. By so doing a reply will be given to the hostile propaganda of the imperialist circles that systematically attempts to present in a distorted way the realities of the socialist countries, encouraging nationalism, chauvinism and anticommunism. By and large Comrade Nicolae Ceausescu considered that in the ideological activity our parties and countries must take a more firm, offensive line, promptly unmasking the bourgeois propaganda, pointing out that the successes achieved by the peoples of the socialist countries offer particularly convincing arguments which themselves prove the superiority of socialism over capitalism.

Next, the party general secretary, Comrade Nicolae Ceausescu laid stress on the need for the propaganda to approach more actively the issues regarding the economic collaboration between the socialist countries, in the spirit of the understanding reached during the summit meeting held on such problems last summer. At the same time the propaganda must lay greater emphasis on the intensification of the collaboration and cooperation in science and technology, in the spirit of the complex programme recently endorsed by the socialist countries within the CMEA. The entire propaganda activity must bring to the fore the superiority of the new type, socialist relations between states that are based on the principles of fully equal rights, respect for the national independence and sovereignty, noninterference in the domestic affairs, mutual advantage, and mutual comradely help.

The development, upon these principles, of the relations among the socialist countries will contribute to the acceleration of the process of building the socialist and communist society in each country, will strengthen the might of socialism as a whole, will enhance its prestige and influence the world over.

During the meeting, Nicolae Ceausescu also referred to a series of problems related to the intensification of propaganda activities for the strengthening of the collaboration and solidarity among the communist and workers parties, on the basis of the principles of full equality and non-interference in domestic affairs, of the observance of each party's right to elaborate its political line, revolutionary strategy and tactics self-reliantly in keeping with specific conditions in the country where they work. Stress was laid on the need to increase contacts and exchanges of views, to more frequently organize, to this end, conferences and meetings of the communist and worker parties. Communist and worker parties -- Nicolae Ceausescu pointed out -- should concentrate on the broad mobilization of working people, of advanced, progressive forces everywhere in the struggle for peace, for disarmament and for the prevention of war, starting from the truth that it is only in conditions of peace, security and broad collaboration among nations that socialism can be built.

The party general secretary expressed the conviction that, working in concert, peoples, revolutionary, democratic forces throughout the world can imprint a new course to international life, can ensure peace and collaboration, the building of a better and more just world on our planet, without arms or wars.

In conclusion, Nicolae Ceausescu, party general secretary, wished them full success in the meeting proceedings and expressed the belief that it would make a new and important contribution to the intensification of activities in this domain, to the strengthening of the collaboration among our parties and countries, to the general cause of socialism and peace all over the world.

[Bucharest Domestic Service in Romanian at 2000 GMT on 19 Dec 1985 carries an identical report and provides the following supplementary information:

"The meeting was attended by Milko Balev, member of the Politburo and secretary of the BCP Central Committee and Dimitur Stanishev, and Stoyan Mikhaylov, secretaries of the BCP Central Committee; Vasil Bilak, member of the Presidium and secretary of the CPCZ Central Committee, Jan Fojtik, candidate member of the Presidium and secretary of the CPCZ Central Committee, and Josef Havlin, secretary of the CPCZ Central Committee; Lionel Soto, member of the Secretariat of the Cuban Communist Party; Kurt Hager and Joachim Herrmann, members of the Politburo and Secretariat of the SED; (Jamaneh Widnashek), secretary of the Central Committee of the Lao People's Revolutionary Party; Tserendashiyn Hansray, member of the Politburo and secretary of the MPRP Central Committee, and (Tserentriyn Bahajav), secretary of the MPRP Central Committee; Jozef Czyrek, member of the Political Bureau and secretary of the PZPR Central Committee, and Jan Glowczyk, candidate member of the Political Bureau and secretary of the PZPR Central Committee; Janos Berecz, Matyas Szuros, and Pal Lenard, secretaries of the MSZMP Central Committee; Boris Ponomarev, candidate member of the Politburo and secretary of the CPSU Central Committee, and Mikhail Zimyanin, secretary of the CPSU Central Committee; and Hoang Tung, secretary of the Central Committee of the Communist Party of Vietnam; and Sklyarov, chief editor of PROBLEMS OF PEACE AND SOCIALISM. For the RCP the following comrades were present: Miu Dobrescu, member of the Political Executive Committee of the Party Central Committee; Petru Enache, Cornel Pacoste, and Ion Stoian, candidate members of the Political Executive Committee and secretaries of the RCP Central Committee."]

BELCHEV PRESENTS 1986 DRAFT STATE BUDGET

AU171443 Sofia RABOTNICHESKO DELO in Bulgarian 13 Dec 85 pp 3, 4

[Report by Finance Minister Belcho Belchev, "On the 1986 Draft State Budget of the People's Republic of Bulgaria," read on 12 December at 18th session of Eighth National Assembly in Sofia]

[Text] The Council of Ministers introduces the 1986 draft state budget of the People's Republic of Bulgaria, for review and adoption by the National Assembly. We shall discuss the drafts of the Uniform Plan on Socio-Economic Development and the country's state budget for the first year of the Ninth 5-Year Plan period.

The results of the plan implementation during the past 4 years and the anticipated 1985 implementation created conditions of further dynamically and most effectively developing the country, despite the fact that during the current year the national economy will apparently suffer exceptionally great losses because of the unusual and continuous drought. Additional production has significantly compensated for agricultural losses, thanks to prudent BCP policy and priority development of branches such as machine building and chemistry. Thus the base necessary to enter the new, more responsible stage in constructing the developed socialist society -- the Ninth 5-Year Plan period -- will be created.

The period after the 12th BCP Congress has been characterized especially clearly by the fundamental elaborations of Comrade Todor Zhivkov on the political organization of society, economic and social areas, and the ideological sphere. The high theoretical and practical value of these elaborations is the way it views events not abstractly, but dynamically, attached to life itself. These elaborations are a scientific analysis of practice, and a correct and farsighted constructive system of forecasts and ideas for the future. The BCP Central Committee at its plenums adopted concerted and practical measures to put these elaborations into effect.

In the complicated international political and economic situation, and under unfavorable natural-climate conditions, the BCP and its Central Committee mobilized the creative forces of the working collectives to overcome the temporary difficulties that appeared in our economy. Thanks to the working heroism, enthusiasm, and political maturity of the working people, the additional tasks set by the party have been implemented, and our country continues to develop successfully, steadily, and dynamically. The law-governed ascending development of the economy under the conditions of developed socialism has been reflected in the drafts of the Uniform Plan on the Socio-Economic Development and the 1986 state budget.

The instructions of Comrade Todor Zhivkov on fundamentally reorganizing planning activity while composing the plan, issued at the September 1985 national conference of the party, state, and public aktivs, have been of exceptional importance in preparing the draft budget.

Many efforts were made so the draft budget corresponds to the party and state requirements on general and comprehensive intensification in all areas of public life, as well as to the decisions of the February 1985 BCP Central Committee Plenum.

While preparing the draft budget, special significance was devoted to creating conditions to make better use of economic levers through the state's basic financial plan, to introduce scientific-technological progress more rapidly, increasing the economy's effectiveness, and satisfying the constantly increasing material, spiritual, and social needs of the people. Along with the national goals and interests, additional strengthening of the economic organizations' own financial basis has been ensured.

The goals and tasks of the ministries leading separate branches of the economy and the okrug people's councils, which spring from the Uniform Plan on the country's socioeconomic development, have been incorporated in the basis of the 1986 draft budget.

The draft budget, hereby presented for discussion and adoption, contains all the characteristic lines of the socialist budget. Uniformity and a comprehensive attitude toward revenues are preserved, while expenditures are characterized by their economic and effective use.

About the Revenues

The basic part of revenue, almost 92 percent, will be created by the economic and other socialist organizations, mainly through profit, turnover tax, and social security payments. This relatively great share is characteristic of the socialist budget. On the other hand it reflects the further intensive and effective development of the national economy.

Given the comparative basis of the anticipated implementation of the 1985 budget, increases in 1986 profit by almost 1.300 billion leva and in the turnover tax by 122 million leva are envisaged.

Possibilities of increasing both profits and the turnover tax exist in all economic organizations and enterprises. While preparing the counterplans it is necessary to create conditions and situations which facilitate the review and adoption of the working people's proposals on increasing production, especially of goods for the population. The counterplan must really become an index of the skill to use the collective brain and creativity. This is the field that best depicts the ability of the leadership of the economic organization and the entire working collective. Attention and effort must be aimed mainly at introducing scientific-technological progress to best use the energy-raw materials resources and make better use of production capacities where most of the reserves are.

It is well known that most weaknesses and shortcomings are allowed in the use of raw materials, materials, fuels, energy, and production capacities. Regardless of the recent improvements in raw-energy material resources use, material expenditures for 100 leva production at some economic organizations remain significantly above the established norm.

The basic funds have reached, for our country, enormous dimensions. Their fuller use must be ensured, keeping in mind that every improvement of 1 percent in their use in industry ensures additional production of almost 430 million leva. It is high time to begin a decisive attack along the entire front of the struggle to implement savings of everything and by everyone. Evidence of waste and poor management, allowed by some economic organizations and enterprises, must be stopped in the shortest time. The activity of all working collectives in this area is decisive.

They must organize their work so that with every leva of raw materials and materials, and with every machine and piece of equipment, they create more production and reach higher effectiveness.

Preconditions for implementing these tasks have been created by party and state decisions on the accelerated introduction of scientific-technological progress and quality improvement in everything and everywhere. Grasping the essence of these decisions, we must reach the conclusion that in the future the sources of resources, the collective's revenues, and thus wages and social benefits, will depend on the created level of scientific-technological progress, the quality and effectiveness of innovations in production and management, and on the socialist organization for increasing labor productivity.

In light of these decisions, we must also review the question of the additional revenues which will enter the budget, so the great task posed by the party -- increasing the people's standard of living -- can be implemented. Precisely for this reason, when we speak of increasing budget revenues from the profit tax, we must review this issue in connection with the task of increasing production and expanding the assortment of high-quality consumer goods more quickly.

Paying such great attention to the issue of additional production and increasing socialist accumulations, we understand that their increase means more goods for the domestic and foreign markets. Further increased production of consumer goods is now especially imperative, so the people's needs are better satisfied. Economic organizations which have not fulfilled their obligations must create a work organization which can remove the weaknesses as soon as possible.

The revenues of the State Social Security and the Council on Mutually Insuring the Members of the Labor-Production Cooperatives will increase in 1986 by 2.5 percent and will reach 3.677 billion leva. This sum corresponds to the forecast increase of average gross employee wages in the national economy, and assures expenditures for pensions, allowances for stimulating maternity, and other expenditures connected with the demographic development of society.

Revenues from taxes and duties taken from the population amount to only 8 percent of the budget's total revenues. No suggestions for increasing them have been introduced. On the contrary, the income tax has been decreased due to the increase in the tax-free minimum labor wages from 110 to 120 leva. As a result, almost 45 million leva in taxes will not be entered in the budget, which will increase the population's real income.

About the Expenditures

The expenditures envisaged by the 1986 state budget draft ensure the financial basis for implementing the BCP economic and social policy, reflected in the Uniform Plan on the Country's Socioeconomic Development.

The largest part of the expenditures, in both the production and extraproductional spheres, has been set on a normative basis.

From the first year of the Ninth 5-Year Plan period the development of our economy will be implemented along a clearly outlined road -- the road of scientific-technological progress. The basic trends and concrete measures on this development have been determined by the decisions of the BCP Central Committee February Plenum.

In accordance with the decisions of the BCP Central Committee February Plenum and the tasks of the Uniform Plan on the Country's Socioeconomic Development in 1986, special attention has been devoted to securing the necessary financial resources for scientific-research and engineering innovations, as well as the accelerated introduction of the top achievements of the scientific-technological progress.

The total amount of the expenditures for the scientific-research and engineering innovations in 1986 is 862 million leva, an increase on more than 11 percent compared to 1985. This amount ties up 3.1 percent of planned national revenue, while in 1985, 2.8 percent of the national revenue was allocated for this purpose.

A significant change in the procedure for financing the scientific-research and engineering innovations in 1986 has been envisaged. Financing will be done in a purposeful manner, on the basis of the work which has been done and the scientific production which has been created. This facilitates the much more purposeful use of the funds at the national level and at the level of every program organization, and the accelerated development of the material-technological basis of the entire scientific front. A system to control the implementation of the planned effect will be also created.

The majority of funds, almost 82 percent, will be allocated to implement programs and tasks of scientific-technological progress at the national and branch levels.

The basic share of expenditures, to the tune of 565 million leva, are expected to be received from the "Expansion and Technological Perfection" fund of the economic organizations. They will be directed to applicable scientific research and developments, and to strategic directions of the scientific-technological progress, something which will ensure the introduction of new and highly economical technologies and new kinds of materials.

It has been envisaged that during 1986 the budget allocates 240 million leva for scientific and engineering innovations. This sum increases by 10.6 percent in comparison with the anticipated implementation for 1985. The funds will finance the implementation of the national programs on topical-electronic and laser technology, accelerated development and application of electronics and microelectronics, biotechnologies, development of flexible automatic production systems, development and production of new materials, scientific instrument building, and so forth.

Increased accelerated construction of the material-technological basis of the developed socialist society will continue in 1986. As reported by Comrade Ivan Iliev, the capital investments during the next year will amount to 9.150 billion leva.
They will be financed by economic organizations' own means, by bank credits, and the funds of the state budget. The strengthening and expanding of the economic organizations' own financial basis creates the possibility of increasing their own ways of financing the capital investments. As a result of the increased profitability of production, better conditions have simultaneously emerged for more broadly using bank credits as a source of financing capital investments.

Notwithstanding the favorable development of these two sources, the state will continue to take part in financing capital investments through the state budget.

For 1986 the budget provides for a total of 2.596 billion leva to be allocated for this purpose, which includes over 1 billion leva for the production area. The means for the production area are mainly directed to its more important branches and activities, such as the power industry, metallurgy, hydro-and land-improvement construction, etc. Measures have been taken through planning the budget means to exert the necessary effect for the speedy practical application of scientific-technical progress and for the construction and commissioning of capacities by the set dates.

The means for financing capital investments in the non-production area are mainly for the building of housing, hospitals, children's institutions and so on.

Scientific-technical progress must also be reflected in the organization of the investment process. In accordance with party and state requirements for the completion of a radical breakthrough in implementation of the investment process, in 1986 investors and executors face the especially acute issue of the timely and high-quality completion and commissioning of capacities by the deadlines set. Reducing the relative proportion of uncompleted construction will depend to a very large degree on these factors. In this direction, an important part is played by finance-credit system, which must make still fuller and more efficient use of the economic levers which it has at its disposal.

The meaning and content of the BCP's policy has always been the concern for man and the well-being of the people. This is expressed vividly in the December program to increase living standard adopted in 1972, which set the satisfaction of the material and cultural needs of the people as the main and direct task of social production and of the country's overall development.

The most typical index for the results of the BCP's April social policy are the social consumption funds. For 1986 the size of these funds is envisaged to reach 915 leva per capita of the population.

The means for the social consumption funds are provided from the state budget and from the self-owned means of the economic and other socialist organizations.

The principal portion -- more than 86 percent of the social consumption funds -- is financed with the funds from the budget. In comparison with the expected fulfillment for 1985, the state is allocating about 590 million leva more for this purpose. This amount again confirms both the extent of the concerns of the party for the well-being of the people and the strength and vitality of the socialist social order.

In accordance with the party and state requirements, the economic organizations and enterprises are obliged to increase their participation in social consumer funds formation. Possibilities for this exist, if one bears in mind that in 1986 provision has been made for the 3.700 billion leva to be deducted from their income for their cash funds. On the other hand, territorial units, such as the managers of the conurbation systems, must show greater activity and initiative in using the opportunities for organizing, in conjunction with economic organizations and enterprises, social-daily life activities, organization and other measures of common mutual interest.

The funds earmarked for education amount to 1,566 billion leva, a considerable increase over 1985. They are to be used to ensure accelerated development of education in a number of okrugs in Bulgaria, increase material maintenance in kindergartens, and increase the size of grants for students and research students. Necessary means are provided for expanding the network and increasing the staffs of kindergartens, educational and training establishments.

Special attention is devoted to the question of the complex conditions for teaching and the work of schoolchildren and young people with computer equipment. Twenty million leva are allocated for this purpose.

Party and state concern for preserving the health of the people, developing the people's physical powers, and ensuring recuperation through rest finds real expression in the 1.143 billion leva provided in the budget.

These means will be used to ensure the maintenance of the new network of hospital and sanatoria beds and places in children's institutions and "mother and child" homes, and to increase the numbers of places in rest resorts.

The necessary means have been provided to increase the daily food allowances in health institutions, and for additional medicines and drugs.

The enormous social possibilities of culture are well known, when it is regarded as an active factor for the total development of the individual and the collectives and for the communist education of the masses. Bulgarian culture is establishing ever more active contact with the peoples of the world and is becoming one of the effective propaganda means of socialism.

For the further development of culture, the party and state are continuing to devote great care and to allocate the necessary means. Irrespective of the fact that the economic approach is being applied ever more effectively in this area -- thanks to which a considerable portion of the expenditure on cultural activities is covered by income from publishing activity, book printing and book distribution -- the means provided in the 1986 budget are increased by 6.5 percent. These will be used to increase television and radio programs and finance the maintenance of secondary, intermediate and higher schools of the arts and of national cultural monuments. The plan also provides for improving the maintenance of the material base of reading rooms.

Dynamic and effective economic development makes it possible for the state to allocate considerable means for social security, and to ensure an annual increase in the latter.

The largest portion of the total amount for social security is taken up by means for pensions. In 1986 2.627 billion leva will be paid out for this purpose, which is 214 million leva greater than the amount expected to be paid out in 1985. Most of this increase is connected with the increases in minimum pensions and for updating pensions already issued. In 1986, 56 million leva will be paid out to increase the amount of 465,000 personal and inherited pensions. A further 55 million leva will be used to ensure the 15 percent increase of 339,000 work pensions issued prior to 31 December 1975 inclusive. Seven million leva will be expended to cover the intended 1 July 1986 increase of 76,000 military invalid, civilian invalid pensions, and people's pensions.

The means for social assistance and other expenditures on social security are also considerably increased. Particularly marked is the increase in expenditure to stimulate the birth rate through additional paid leave for looking after the first, second, and third child, and the payment of monetary compensation at the minimum wage rate until the child's second birthday. For this purpose, 117 million leva more are provided to be paid in 1986 as compared to 1985. The necessary means are also provided in connection with raising the norms for social assistance.

The expenditure on maintaining the central, okrug and local organs of state authority and state administration is maintained at anticipated 1985 levels. This is a result of measures taken to limit the growth of administrative and managerial staff.

In the draft budget the necessary means are also provided for the country's defense.

A portion of the means in the state budget, to the amount of 3.927 billion leva, will be expended through the budgets of the people's councils. Most of this will finance health service, education, and other social and cultural measures. This expenditure may be increased by using additional realized income. to carry out these tasks, the people's councils must more actively assist economic organizations and enterprises in working out effective counterplans. At the same time, the territorial units should, through their counter-budgets, ensure the maximum use of their own financial resources.

On this basis, opportunities will be created for additional, still more complete satisfaction of the material, social, and spiritual needs of the population of the conurbation system. Further, more extensive use of opportunities for close interaction and cooperation between the people's councils and economic organizations and enterprises to organize social-everyday activities, as well as communal, town-planning, and other measures of general interest, are necessary. This is the right way to solve questions that have additionally arisen, instead of submitting claims for fresh funds.

Under the Law on the Drawing Up and Execution of the State Budget, the National Assembly should also approve the accounts for the execution of the 1984 budget.

The 1984 state budget was executed in respect of revenue to the amount of 17.479 billion leva, and in respect of expenditure to the amount of 17.357 billion leva. Compared to the amounts approved by the National Assembly, the revenue side has been achieved by 98.4 percent, and the expenditure side by 97.8 percent. The total revenue exceeds expenditure by 122 million leva.

These results from balancing the state budget in the unfavorable natural-climating conditions for 1984 were achieved thanks to the speedy, efficient, and timely measures adopted by the BCP Central Committee and the Council of Ministers to overcome the difficulties which arose. The enthusiasm, persistence, and political maturity of the working collectives also proved decisive in fulfilling the tasks set by the party and government.

The accounts data for the 11 months since the start of the year show the measures adopted are bringing good results. On this basis it is expected that the 1985 state budget will be fulfilled.

The fulfillment of the Uniform Plan and the State Budget for 1985 will be carried out in the conditions of new, higher party and state requirements, formulations, and decisions. These clearly show that the development of all the nature-governed processes of contemporary social progress for the benefit of society depends to the greatest extent on the effects of the scientific-technical revolution. The elaboration of counterplans and budgets should be carried out on a qualitatively new basis, be based on scientific research studies, achievements and forecasts, and be aimed towards the top-level achievements of scientic-technical progress. This is the way to solve the primary problem of our further dynamic economic and social development -- the problem of the sharp increase in the efficient use of energy and raw-material resources. Thriftiness and efficient use of raw materials, materials, and fuels are becoming an ever more important source for implementing the envisaged building up of the material-technical base of the developed scoialist society. When we speak of savings, we cannot and must not separate this issue from the key problem which our party and people are solving -- the problem of quality. For this very reason the organic link between quality and the rate of usage of materials should become a criterion for the efficiency of overall activity.

When we assess the amount of material resources consumed or the amount of unrealized economies, in the last reckoning we generalize the results in leva. Accordingly, lower expenditures on materials and greater savings in all spheres of social life mean in practice a thrifty spending of the Bulgarian lev. Irrespective of whether the lev is in the monetary funds of the economic and other socialist organizations or in economic circulation, whether it belongs to the economic organizations or to the state, it must be spent wisely and thriftily, and be saved, because it is the result of our people's labor. In this context, behind every excess kilogram of metal used, every extra kilowatt-hour of electric power or liter of fuel, we must visualize an inefficient use of the Bulgarian lev. Therefore, every worker, every laborer should show even greater concern for preserving our national wealth.

The question of economies in all areas of our life is linked with the organization, efficiency and scope of the system of control. First and foremost, control through the lev should acquire a nation-wide character. Everyone should practice control from his own place, assist in preserving the national property, and tend to the thrifty spending of the lev. Control should become a matter for the whole collective, its duty, and its political manifestation as a manager of socialist property and sovereign creator of the socialist state.

In accordance with the new requirements, an increased role and importance is given to the specialized organs of financial control. These should intensify preventative control, because life has confirmed the truth of the fact that the socialist effect from such control is many times greater when measures are taken in good time, even before unfavorable consequences have ensured.

The control, including financial control, should aim its efforts at revealing and using opportunities for further thrifty and efficient use of the energy-raw-material, and financial resources; at raising the social productivity of labor; and at achieving higher returns from economic activities.

The tasks and new requirements which the party and government are setting for the finance system require completion of a radical restructuring in the style and organization of its work, as yet more complete use is made of the opportunities to raise the efficiency of the economy by means of the universal intensification and application of scientific-technical progress. This requires more efficient use of the economic levers to introduce new qualitative improvements in economic analysis seeking increased profundity, reliability, and modernity. The method by which all financial resources are employed must be subjected to profound and comprehensive analysis, irrespective of whether these resources are budget means or the self-owned means of the economic organizations.

The efforts of the working collectives are now directed toward the successful fulfillment of the Eighth 5-Year Plan. They will continue with even greater persistence and enthusiasm to meet in a worthy manner the 13tn BCP Congress and to put into practice the decisions which the latter will adopt.

In the name of the government, I ask you, comrade people's deputies, to adopt the proposed draft law for the state budget of the People's Republic of Bulgaria for 1986 and the accounts for the fulfillment of the 1984 budget.

MORE REPORTAGE ON VISIT BY PRC'S LI PENG

Zhivkov Reception

AU191454 Sofia BTA in English 1337 GMT 19 Dec 85

[Text] Sofia, December 19 (BTA) -- Mr Todor Zhivkov, president of the State Council of Bulgaria, received today Mr Li Peng, vice premier of the State Council of the People's Republic of China.

In a constructive spirit and friendly atmosphere they discussed the present condition and the future prospects of the Bulgaro-Chinese cooperation in the fields of economy, trade, science and technology.

Both sides stressed their desire for activation and developmment of their relations on mutually advantageous basis.

They pointed out that the economic potential of Bulgaria and China allows for essential increase of the barter in the near future.

Mr Todor Zhivkov stressed the importance of the unity of the socialist countries as a factor of special significance for the preservation of peace in the world, and for social progress.

Mr Andrey Lukanov, deputy chairman of the Council of Ministers of Bulgaria, and his guest Mr Li Peng, vice premier of the State Council of the People's Republic of China, started their talks today. They exchanged information on the socio-economic development and some principal issues, which are carried out by Bulgaria and China at present, as well as the interests ensuing from them for cooperation between the two countries. They discussed the possibilities for further widening and deepening of the cooperation between the two countries in the sphere of economy, trade, science and technology.

Doynov Discussions

AU191947 Sofia Domestic Service in Bulgarian 1830 GMT 19 Dec 85

[Text] Ognyan Doynov, minister of machinebuilding industry, and Li Peng, vice premier of the State Council of the People's Republic of China, discussed prospects for expanded and intensified bilateral machinebuilding relations.

LONG-TERM TRADE AGREEMENT SIGNED WITH GDR

AU162027 Sofia BTA in English 1914 GMT 16 Dec 85

[Text] Sofia, December 16 (BTA) -- Today, the ministers of foreign trade of Bulgaria and the GDR Mr Khristo Kristov and Mr Horst Soelle, signed a long-term trade agreement for the 1986-1990 period. They initialled a protocol for exchange of merchandise for the 1986 period.

The GDR ranks second among the countries members of the C.M.E.A. in the Bulgarian barter, and Bulgaria ranks fifth in the barter of the GDR. In the future this tendency is envisaged to be preserved. The trade between the two countries will increase by 22 per cent in the next five-year term, compared to the 1980-1985 period.

The agreements for specialization and cooperation on bilateral and multilateral basis [as received] have a significant contribution to the stabilization of the increasing rate of the barter. This will enable about 60 per cent of the total export of Bulgaria for the GDR and more than 70 per cent of the total export of the GDR to Bulgaria, to be in the field of mechanical engineering. This process will continue to deepen and the relative share of the cooperated and specialized products will overgrow 40 per cent of the entire exchange of merchandise.

The long-term agreement and the one-year protocol for exchange of merchandise envisage that Bulgaria should deliver to the GDR metal working machines, robots, flexible automated systems, electric and motor trucks, computer technology, agricultural products, consumer's goods, etc. The GDR will import to Bulgaria [as received] high voltage technology, equipment for open mines, metallurgical equipment, printing machines, machines for the light industry, lorries, medicines, agricultural machines, metals, etc.

At their meeting today, Mr. Chudomir Aleksandrov, member of the Politburo of the CC of the BCP and first deputy chairman of the Council of Ministers of Bulgaria, and Mr. Horst Soelle, gave positive assessment to the development of the trade relations between Bulgaria and the GDR so far.

DZHUROV, PALIN SEE OFF DEPARTING KULIKOV

AU191426 Sofia RABOTNICHESKO DELO in Bulgarian 18 Dec 85 p 2

[Text] Marshal of the Soviet Union Viktor Kulikov, commander in chief of the Joint Armed Forces of the Warsaw Pact, who has been on a friendly official visit to Bulgaria, left the country yesterday. He was accompanied by Army General Anatoliy Gribkov, chief of staff of the Joint Armed Forces.

At Sofia Airport the visitors were seen off by Army General Dobri Dzhurov, member of the Politburo of the BCP Central Committee and minister of national defense; Colonel General Velko Palin, chief of the Social and National Security Department of the BCP Central Committee; deputy ministers, generals, and officers.

Also present was Leonid Grekov, ambassador extraordinary and plenipotentiary of the USSR to Bulgaria; Colonel General Aleksandr Zvartsev, representative of the commander in chief of the Joint Armed Forces of the Warsaw Pact attached to the Bulgarian People's Army; and military attaches from the embassies of fraternal countries.

ITALIAN COURT REPRESENTATIVES ARRIVE IN SOFIA

AU191754 Sofia BTA in English 1728 GMT 19 Dec 85

[Text] Sofia, December 19 (BTA) -- Representatives of the panel of the First Rome Criminal Court presided by Severino Santiapichi and Prosecuting Magistrate Antonio Marini arrived here today.

At the Sofia Airport Judge Santiapichi said that he highly appreciates the gesture of the Bulgarian judicial authorities, who in spite of the lack of an agreement for legal cooperation between Bulgaria and Italy allowed a rogatory commission related to the second trial of the attempt on the life of the pope.

ROME TRIAL EXPECTED TO END IN JANUARY 86

AU131922 Sofia BTA in English 1750 GMT 13 Dec 85

[Text] Rome, December 13 (BTA Corr.) -- The last but one phase of the second trial of the papal assassination attempt ended here today with the working out of a calendar of the future tasks of the court. After prolonged discussions Presiding Judge Severino Santiapichi read a ruling providing for the renewal of the hearings in Rome on January 10.

Then the evidence of those witnesses who did not appear in Foro Italico will be read. As regards the former SISMI agent Francesco Pazienza, the Rome Criminal Court ruled for asking Investigation Magistrate Ilario Martella to submit the records of his interrogations of Pazienza held in New York.

he resolution also mentions that on January 14 the floor will be given to the Prosecutor who will read his indictment speech. The dates of the speeches of the counsels for the defence will be subsequently determined.

Before withdrawing the Court once again summoned the former chief of the SISMI "Security and control" department and member of the secret "P-2p" Masonic Lodge General Pietro Musumeci. He was to answer the questions of Sergey Antonov's counsel for the defence lawyer Guiseppe Consolo.

In the course of this interrogation of the defense, it became clear that the relations between Musumeci and Pazienza were not as cursory and incidental as he tried to present them during his previous interrogations. Francesco Pazienza frequently visited the office of Musumeci waiting to be received by the late SISMI director General Guiseppe Santovito at whose direct orders he was. What is more Musumeci confessed that without receiving an order from Santovito he had collected information about Pazienza which has not been documented anywhere.

The Court is to fulfill yet another international rogatory commission. Presiding Judge Severino Santiapichi and his deputy Fernando Attolico, Prosecutor Antonio Marini are expected to hear in Sofia the evidence of the remaining Bulgarian witness in the case with the participation of the counsels for the defence.

In January the speeches of the prosecutor and the defence will put an end to this trial which has already been entered as unprecedented in the records of the history of law.

MLADENOV TOASTS PAPOULIAS AT SOFIA DINNER

AU091507 Sofia RABOTNISHESKO DELO in Bulgarian 5 Dec 85 p 1, 6

[BTA correspondents NACHO Khalachev and Lyubomir Gabrovski report]

[Excerpt] Sofia, 4 December (BTA) -- This evening Petur Mladenov, minister of foreign affairs, gave an official dinner in the "Vitosha New Otani" hotel in honor of Karolos Papoulias, minister of foreign affairs of the Republic of Greece. The dinner was attended by Comrade Petur Tanchev; Georgi Dzhagarov, deputy chairman of the State Council; members of the State Council and government; and cultural and public figures.

In his toast speech, Petur Mladenov said: "It is true that we have a common border, which naturally facilitates and stimulates our contacts. However, it is well known that this in itself is not sufficient and has not always proved a factor for positive relations between states. Both the whole of history and the present epoch unequivocally show that in this case a number of other extremely essential things are also required. The most important of these are evidently political realism, a good will, and a constructive approach.

"To our common joy, these important qualities alone are the starting point of our intercourse, they are what determine the character and directions of the whole of Bulgarian-Greek relations, which have been set on a lasting and stable footing and are developing fruitfully in the interest of the two friendly peoples."

"Another important and crucial precondition," stressed Minister Mladenov, "are the meetings between our leaders. The memory is still fresh of the last visit of Todor Zhivkov, chairman of the State Council, to the Republic of Greece. His meetings and conversations with President Christos Sartzetakis and with Prime Minister Andreas Papandreou will undoubtedly be fruitfully reflected in our interrelations, and will give an additional impulse to their enrichment and to their being filled with new content."

Speaking of the contacts between our two countries, which in recent years show a consistent progress, the Bulgarian foreign minister stressed that a number of unexploited opportunities are available for the expansion of cooperation, especially in the economic field.

Noting the situation in the world continues to be tense and alarming, Petur Mladenov assessed the significance of the meeting between Mikhail Gorbachev, general secretary of the CPSU Central Committee, and U.S. President Ronald Reagan for improving the international climate. This meeting has irrefutably made a good beginning. It has provided grounds for mankind to breathe more easily, and to look with greater confidence towards tomorrow. No doubt the effective continuation of this beginning might exert a decisive effect upon the normalization not only of Soviet-American relations, but also of the international situation as a whole.

It is also well known, Petur Mladenov continues, what consistent efforts and concrete proposals have been made by the Soviet Union and the other Warsaw Pact members, directed at preventing the militarization of space, halting the arms race, detente, disarmament, and guaranteeing peace and security for all peoples.

Stressing that other forces on earth are fighting for strengthening of peace and security, and that their potential is vast, the Bulgarian foreign minister emphasized the exceptional significance of the Delhi declaration of the six state and government leaders, which included the Greek prime minister, and their letter sent to Mikhail Gorbachev and Ronald Reagan before their meeting in Geneva.

Remaining faithful to its constructive foreign policy, said Minister Mladenov, the People's Republic of Bulgaria is honestly and actively working to build stable good-neighborly relations with all Balkan countries, confirm the positive tendencies in their intercourse, strengthen trust and understanding, and extend cooperation and interaction in different fields. In the current complex and uneasy international situation, in our view the most important topical and immediate political task, to which all the states of the region should address themselves with a like sense of responsibility, is turning the Balkans into a nuclear-weapon-free zone. The realization of this idea, which Bulgaria and Greece support, would be an example and a concrete step toward the achievement of the great idea of the liberation of Europe from nuclear weapons.

SHULTZ 'MISSION' IN EUROPE SEEN AS 'PRESSURE'

AU191110 Bratislava ROLNICKE NOVINY in Slovak 18 Dec 85 p 7

["S"-signed aritcle: "What Was the Purpose of G. Shultz' Mission in Europe; the Focal Point Was Pressure"]

[Text] The head of U.S. diplomacy has concluded his last journey this year to the European Continent. It had two stages. The first was dominated by his attending the "fall session" of the highest NATO body and visits to two countries: Great Britain and the FRG. The second was of an "exploratory nature," according to the INTERNATIONAL HERALD TRIBUNE: visits to Romania, Hungary, and Yugoslavia. What was the purpose of all these journeys by George Shultz?

It was originally presumed that the focal point would be the consultations with NATO and EEC foreign ministers, the initiative for which came from President Reagan on his way back from Geneva following the Soviet-U.S. summit, and that the dialogue would be conducted in harmony with the agreements adopted in Geneva. It transpired that the focal point was somewhere else altogether. Not in searching for stimuli and impetuses for reducing international tension, but in exerting pressure on the allies, in accordance with the example of Great Britain, to officially join the dangerous "star wars" project. Although the final document of the Brussels session positively assesses the development of relations between East and West in the past 6 months, particularly in connection with the M. Gorbachev-R. Reagan meeting, as before the NATO council regards this positive trend to be the result of "NATO's firm policy," and of U.S. positions in Geneva. The document ignores or casts doubt on many Soviet peace proposals and the exceptional responsibility and patience with which the Soviet side approached the Geneva meeting. G. Shultz, naturally, was the main principal in compiling the document. It affirms the pledge to deploy further first-strike missiles in Western Europe -- despite the protests of Greece and Denmark -- as well as the support for U.S. space weapons research and the attempt to distort the final Helsinki document. From the session it arose that NATO would like to shift the West-East dialogue from the main disarmament problems to marginal issues.

G. Shultz exerted a particularly strong pressure on Bonn, which Washington expects to "follow Great Britain's suit as quickly as possible," as THE WASHINGTON POST wrote. In this connection the newspaper DIE WAHRHEIT tellingly wrote that the aggressive "peace philosphy" of Secretary Shultz is now mainly an advertising slogan in selling the "star wars" project. Thus no one takes seriously the contention that this is a defensive program presenting no threat to anyone. "It would be simpler and cheaper to come to an agreement with the Soviet Union on scrapping relevant missiles than spending billions for the construction of a 'defensive shield in outer space'," DIE WARHEIT writes.

During his journey on the Bucharest-Budapest-Belgrade route, G. Shultz fully lived up to the assertions he proclaimed before his journey to the Euorpean Continent, which had the nature of interference in the internal affairs of the socialist countries. Let us recall that he asserted: The United States would like to "contribute to the creation of a more open atmosphere in states neighboring the USSR." In other words: The essence of U.S. policy is to seek out and assert "positive" tendencies -- from the United States' point of view, of course.

However, G. Shultz was able to convince himself that the socialist community is a firm union of free states, and no matter how hard the representatives of the State Department or other officials of U.S. Government circles try to undermine the unity of these countries and set them at loggerheads, this goal is doomed to fail.

FRG PARTICIPATION IN SDI CONTRARY TO INTERESTS

LD200557 Prague CTK in English 1629 GMT 19 Dec 85

[By Jan Hamrsmid]

[Text] Bonn, Dec 19 (CTK) -- FRG Economics Minister Martin Bangemann's task to immediately open talks with the U.S. Government on the conditions of "mutual exchange" of results of scientific research and technological knowledge is a vain attempt to give the impressions that only economic questions and private interests of West German firms and research institutes are concerned. In fact, the Wednesday [18 December] binding decision of the Bonn government is based on its explicit political and moral support of this extremely dangerous and doubtful armament project. The opposition and criticism expressed by specialists, politicians and the public both in the East and the West, and especially in the FRG, as regards this program have been increasing from day to day.

Despite all this and at variance with the vital interests of the majority of the population, the FRG Government obeys the order of its American ally who formulated it as an "invitation" to "star wars." The Bonn government at the same time spares no efforts to assure the FRG population and the world public of its alleged attempt to achieve peace with a smaller number of weapons.

FRG Defence Minister Manfred Woerner as well as other officials of the unionist parties keep speaking of the political necessity and moral justification of new militarization programs, and apart from the U.S. "star wars" program call for its West European variant. For the militarist and revanchist circles in the FRG, the Wednesday decision of the Bonn government was only an official confirmation of what they had known from the very beginning.

STROUGAL RETURNS FROM MOSCOW CEMA MEETING

LD181821 Bratislava Domestic Service in Slovak 1730 GMT 18 Dec 85

[Text] A Czechoslovak delegation, led by Czechoslovak Federal Premier Lubomir Strougal, returned from Moscow to Prague today. The delegation took part in the 41st extraordinary CEMA session.

Comments on Session

LD190107 Prague Television Service in Czech and Slovak 1830 GMT 18 Dec 85

[Interview with Federal Premier Lubomir Strougal by unidentified Czechoslovak journalists in Moscow; time not given -- recorded]

[Text] [Question] Comrade Premier, the implementation of the comprehensive program for the scientific-technical advancement of the CEMA countries to the year 2000 is actually beginning. What will be its course?

[Strougal] This was the topic of our talks. This comprehensive program on scientific-technical cooperation until 2000 is one of the most complicated issues, which was also discussed as one of the main tasks at the summit meeting last year. I would say the program is ready, from the viewpoint of our knowledge of the scientific-technical revolution at the current time. This does not mean that it will not be improved and amended. As a program it gives a clear idea of what targets are to be pursued. It contains the five selected top priority programs: electrotechnology, microelectronics, biotechnology materials, automated systems, and atomic power engineering. We want to take part in all these programs. The exact extent of our participation varies; roughly, we would like to participate in 50-75 percent of the programs. This figure, however, is not of major importance. What is important is concrete participation, which will be clarified, as this current stage is one of clarification. The program is clear, the question is how we shall implement it. It is not possible to clarify all matters at once at one meeting or in such a short time, 3 months. We discussed these matters, and these discussions were very matter-of-fact, fruitful, and useful. They concentrated on the ways to guide efficiently the integration of scientific-technical programs. This is one of the most complicated issues of economic integrations as such.

Some issues have been clarified, some are to be clarified in the first quarter or first 6 months of next year -- I have in mind organizational, cadre, financial, economic, and institutional issues. They must be clarified in such a way that they will accelerate the implementation of the programs, making good use of time because otherwise we will just lose time and we do not want that.

[Question] You mentioned the participation of Czechoslovakia in the comprehensive program. Do you think the scope of our participation is sufficient?

[Strougal] I think that we have to discuss our ideas with concrete organizations, because concrete economic and scientific research organizations will now enter the scene whether from the coordinating state, particularly the USSR, or the subscribing organizations, both research, production, and design organizations. I think that our ideas, which will have to be discussed with the subscribing countries, are quite ambitious. Therefore, we have to realistically consider what we can afford because we have to cope with it an produce good quality in good time, too. Here a new factor must be taken into consideration -- a high degree of commitment. If you commit yourself you have to fulfill your commitment. If you do not fulfill it you will be penalized. This is a necessary part of this research program because when one leaves the game the whole program, its entire implementation, cannot be carried out or the missing part must be somehow substituted, and then it becomes more costly and it is slowed down and so on. Therefore, we must consider responsibly what we should take part in, what we have strength for, what we can cope with during the given time -- and with high quality, that is, in keeping with the world standard.

[Question] The implementation of the program will require changes in style and methods of work. What are the main ones?

[Strougal] We were received yesterday, as premiers and party secretaries, by Comrade Gorbachev. I must say that the discussion was of high quality. We analyzed the current stage, and not only the current stage but also the trends that exist in the socialist world and in the world as such. It was a program talk -- what to do. It indicated the complex of changes which concern not only science, research, and technology but also all issues of the life of society. The scientific-technological advancement is definitely linked to the life of man as such, with politics and the political system, not only with the economic system.

Therefore, the changes must be subordinated to these trends -- naturally to the socialist system. These changes are, after all, indicated in the CPSU Program, in the main guidelines of the development until 2000, and also for the next 5-year plan. We in Czechoslovakia are also preparing, as is known, the draft of the main guidelines of development until 2000 and until 1990, which will be issued in January. In these documents we shall speak, among other things, about changes in economic management and this concerns the political-ideological aspects of the development of society as well.

HUSAK RECEIVES USSR'S KULIKOV, GRIBKOV

AU201010 Bratislava PRAVDA in Slovak 19 Dec 85 p 1

[Text] In Prague Castle today Gustav Husak, general secretary of the CPCZ Central Committee and president of the Republic, received Marshal of the Soviet Union Vikto Kulikov, commander in chief of the Joint Armed Forces of the Warsaw Pact member states; and Army General Anatoliy Gribkov, chief of staff of the Joint Armed Forces of the Warsaw Pact member states, who are in Czechoslovakia on a short working visit.

During their conversation, which took place in a friendly and cordial atmosphere, they examined mutual cooperation between the Czechoslovak People's Army and the other allied armies of the Warsaw Pact member states.

The reception was attended by Colonel General Miloslav Vaclavik, CSSR minister of national defense; Colonel General Miloslav Blahnik, chief of the General Staff of the Czechoslovak People's Army and CSSR first deputy minister of national defense; Frantisek Salda, chief of the Chancellery of the CSSR President; and Lieutenant General Jiri Necas, chief of the military office of the CSSR President.

HUSAK, SOVIET ENVOY DISCUSS COOPERATION

LD162227 Prague Domestic Service in Czech 1730 GMT 16 Dec 85

[Text] Today in Prague, Gustav Husak, general secretary of the CPCZ Central Committee and president of the Republic, received Viktor Lomakin, Soviet ambassador in Czechoslovakia. They discussed topical issues of Czechoslovak-Soviet cooperation.

CPCZ SECRETARIES LEAVE FOR BUCHAREST MEETING

LD181454 Prague Domestic Service in Czech and Slovak 1400 GMT 18 Dec 85

[Text] A delegation of the CPCZ led by Vasil Bilak, member of the Presidium and secretary of the CPCZ Central Committee, left for Bucharest today to attend a consultative meeting of secretaries of central committees of the fraternal parties for international and ideological questions. Members of the delegation are: Jan Fojtik, candidate member and secretary of the CPCZ Central Committee; Josef Havlin, secretary of the CPCZ Central Committee; and Michal Stefanak, Vasil Bejda, and Otto Cmolik, departmental heads of the CPCZ Central Committee.

The delegation was seen off by Mikulas Beno, Frantisek Pitra, Jindrich Polednik, secretaries of the CPCZ Central Committee; and Zdenek Horeni, member of the CPCZ Central Committee Secretariat.

FURTHER REPORTS ON VISIT OF BULGARIA'S FILIPOV

Strougal, Filipov Dinner Toasts

AU121456 Prague RUDE PRAVO in Czech 6 Dec 85 p 2

[CTK report on 5 December dinner in Prague given by CSSR Premier Lubomir Strougal in honor of Grisha Filipov, chairman of the Council of Ministers of the People's Republic of Bulgaria]

[Text] Prague -- Comrade Lubomir Strougal gave a festive dinner in the Cernin Palace in honor of Comrade Grisha Filipov.

It was attended by Deputy Premiers Ladislav Gerle, Josef Korcak, Karol Laco, Svatopluk Potac, and Rudolf Rohlicek; by CSSR Government ministers; and by other representatives of our political and public life.

Vaclav Janousek and Petur Danailov, ambassadors of the two countries, were also present.

In the course of the evening, Lubomir Strougal and Grisha Filipov delivered speeches.

The dinner took place in a cordial and comradely atmosphere.

From the Speech by Comrade Lubomir Strougal

We have assembled in winter time Prague to discuss, on the threshold of a new quinquennium, the level and extent of Czechoslovak-Bulgarian cooperation, which is the best proof of the lasting relations of friendship and socialist internationalism between our peoples. At the same time, I welcome you on behalf of the CPCZ Central Committee, the CPCZ Central Committee General Secretary and President of the Republic Gustav Husak, and the CSSR Government. We will be glad to do everything to reciprocate for our stay in Sofia last year in the month of May.

Every meeting of this kind is a good opportunity to recall the deep traditions of our relations, the beginnings of which are connected with our Slav past, and the affinity of our languages and national cultures. We also share the traditions of the fight against usurpers and for liberation and independence. The names of Klement Gottwald and Georgi Dimitrov have become a symbol of firm friendship, going back to the times of struggles for the best system in the world, for socialism; their signatures also stand on the first Treaty on Friendship, Cooperation, and Mutual Assistance which linked our two states. If for no other reason, this was drawn up so that the terrors of World War II, which we can still vividly recall, should never again be repeated.

That is why it is only natural that our fraternal countries -- one of which is protecting the western boundaries of the world of socialism, and the other its southern boundaries -- have been cooperating for decades, proceeding side by side, and adhering to the principles of alliance between the countries of the socialist community, headed by the Soviet Union. That is also why our top party and state representatives often meet; why we conduct regular negotiations on the levels of governments, representative agencies, and social organizations, as well as numerous other institutions. At the same time it is not only the politicians who fill the relations of sincere friendship with actual deeds, but also the experts of all kinds of professions, artists, scientists, and journalists -- I dare say, everybody in his place.

Because, in fact, we know each other well, we understand each other -- and not only because your fascinating Black Sea coasts have become a place for recreation and fun for most of our citizens. We are linked in fact, by the same ideals and longings to build a developed socialist society.

It has become traditional to devote the main attention of every meeting of the government chairmen to economic cooperation, to its dynamics, and to the modern forms of both industrial and research and development collaboration, which is decisive for the economic potential of our national economies and for the fulfillment of the development trends on which we have agreed in the CEMA.

At the same time, we not only take stock of the way trade turnover is being fulfilled, and of the effect wrought by the example of the LAIZ [Liberec Automobile Works] and Madara plant cooperation, of the state of specialized productions in general, and of the amount of increase yielded by the exchanges planned in the recently concluded coordination of the 5-year plans -- no, today we want far more.

The main trends in expanding and deepening economic and research and development cooperation between the CSSR and the People's Republic of Bulgaria after 1985, signed by Comrades Husak and Zhivkov, envisage that priority will be given to progressive forms of collaboration, from cooperation and specialization to direct contacts between production and joint entrepreneurships, also on the third markets. Thus, it is necessary to proceed hand-in-hand in research and development for the needs of production, and also to keep in mind an expedient division of investments. Understandably, one must also adhere to the principles of business on the level of world technology, and take into account all that is usual in serious partner relationships, in delivery discipline, and in pricing issues.

We have exchanged a lot of ideas and suggestions. Now the important thing will be to turn the words into deeds -- understandable, on both sides. At the same time I can assure you that the CSSR Government will be supporting every constructive initiative for deepening cooperation between the CSSR and the People's Republic of Bulgaria.

Our meeting is taking place near the end of 1985, a year which has not only evoked many fears but many hopes. On the one hand, we witnessed a continuation of the arms race, which is now being expanded even into space' manifestations of imperialist efforts to enforce a world hegemony by force' acts of state terrorism and aggression; and examples of trade discrimination and injustice in economic relations. On the other hand, we saw a steady increase of the number of people who have decided to ward off the uncontrollable process that is heading toward the nuclear destruction of civilization. This increase is taking place not only among realistic politicians, but also in whole social movements, in many nations, in fact on all continents. In brief, the peace offensive of the socialist countries and above all of the Soviet Union has begun to bear fruit. The world has seemingly become wiser.

The Geneva meeting of the top representatives of the Soviet Union and the United States partly affirms this. The world has not yet become more secure; but at least it is learning to live in the same house. The spirit of Geneva seems to have lit the flame of the faith that we are sure to find a way out, and to begin to respect each other.

Understandably, now it will depend on every one of us how we will grasp the new phenomena of the epoch; it will thus also depend on the Warsaw Pact states, on the peace initiatives, and their defense, but also on the arguments which must penetrate not only the hearts but the minds of the people of all races, religions, and ideologies throughout the planet.

We are advocates of socialism, the epoch of the future. It is necessary to establish peace conditions for this epoch, and totally to avert war. In peaceful competitions it is necessary to prove the historic truth of the times we are living in. Both the CSSR and the People's Republic of Bulgaria fully acknowledge their share of responsibility for a better tomorrow; we in the center of Europe, and you on the Balkan peninsula.

Your visit and the negotiations we started -- they will still continue -- will certainly help the cause of Czechoslovak-Bulgarian cooperation; but they will also aid the cause of peace throughout the world.

From the Speech by Comrade Grisha Filipov

In the first place, permit me to thank you once again from the bottom of my heart for the invitation to visit fraternal Czechoslovakia, for the cordial reception and generous hospitality accorded to us, for the cordial atmosphere which you have established for us from the very beginning of our visit, for the ardent words of friendship addressed to the People's Republic of Bulgaria, to the BCP, and to the Bulgarian people.

The history of our peoples shows many concurrent examples of heroic battles for national and social liberation -- it shows many bright examples of selfless mutual assistances. Today the relations between Bulgaria and Czechoslovakia are relations which can be created solely by socialism: They are relations built on the basis of a unity of ideas and goals, of a common road of development, and of the closest contacts based on our unwavering loyalty to the principles of Marxism-Leninism and socialist internationalism.

Our fraternal comradeship is conditioned by the policy and cooperation of our Marxist-Leninist parties, by the great friendship of our top party and state figures, Todor Zhivkov and Gustav Husak. This comradeship is expressed not only in the unanimity and common acts of the BCP and CPCZ, but also in the wealth of general and fruitful mutual exchange and cooperation in all political, economic, and cultural spheres.

I would like to remark with satisfaction that the economic and research and development cooperation between our countries is developing dynamically. The "Basic Trends of Expanding and Deepening Economic and R&D Cooperation Between the People's Republic of Bulgaria and the CSSR After the Year 1985," signed in 1982, revealed new horizons for its comprehensive development.

It is a joy to state that Bulgarian-Czechoslovak economic relations have achieved a high level in the present quinquennium. The mutual exchange of goods in the quinquennium was fulfilled by June 1985; and by the end of this year we expect it to be considerably overfulfilled. Our mutual cooperation has now reached a level which confronts us with new and responsible tasks. This cooperation will undoubtedly become richer and richer; it will actively contribute toward fulfilling the resolutions of the summit conference of the CEMA member-countries in June 1984 and will be of increasing significance for our reaching the great creative goals that are being set by the BCP and CPCZ.

We follow with a feeling of sincere gratification, and wholeheartedly welcome the remarkable successes that are being achieved by the fraternal Czechoslovak people under the CPCZ's leadership in building the developed socialist society. Socialist Czechoslovakia has today become a country with a powerful economy, high living standards for its people, and great cultural and social achievements. All this, together with the CSSR's consistent peace-loving foreign policy, has won a generally recognized authority for your country in the world.

Today, when the Czechoslovak people are mobilizing their forces to give a dignified welcome to the 17th CPCZ Congress, we wish you, dear comrades, new and still greater successes in socialist construction, for the upsurge of your fatherland.

The Bulgarian people, united around the Communist Party, are striving, persistently and forever, to fulfill the resolution of the 12th BCP Congress and to accord a dignified welcome to its 1 ch congress. The path which we have followed during the past 5 years, and the results achieved in fulfilling the congress resolutions, represent a secure guarantee of our future successes. These results have shown the vital strength of the party of Bulgarian Communists. All this is the source of our optimism, in spite of the trials which nature has prepared for us in the course of the last 2 years.

The basic goal that we are now setting for ourselves is to change the Ninth 5-Year Plan into a quinquennium of a powerful upsurge of research and development progress, of the most rational utilization of all resources, of the mobilization of the existing reserves to accelerate the country's socioeconomic development, and to enhance the efficiency of its economy. An important condition for achieving this goal is to expand cooperation with the fraternal CEMA member-countries and, above all, to further deepen the all-round cooperation and rapprochement with the Soviet Union.

The realization of our plans in the individual spheres of socialist construction and the development of a broad, mutually advantageous cooperation of the peoples are possible solely under peaceful conditions. This is precisely why we are so deeply alarmed by the growing international tension which is caused by the policy of imperialist NATO circles, by their endeavor to change the correlation of forces in the world arena and to achieve military supremacy. A new culmination point in the escalation of military psychosis and in the armament race are U..S plans for the militarization of outer space, which are aimed at materializing the intention to disrupt the existing military strategic equilibrium.

The socialist countries are offsetting the aggressive plans of imperialism by the main goal of their foreign policy -- namely to avert the danger of a nuclear war, to diminish the threat of a military confrontation, and to develop international relations in the spirit of a peaceful joint coexistence and detente. Loyal to this principled Leninist policy, the countries of the socialist community have submitted important peace-loving initiatives, aimed at reviving the process of detente and at halting the policy of strength and confrontation.

The fears for mankind's peaceful destiny were strikingly demonstrated at the session of the Warsaw Pact states' Political Consultative Committee, held in October in Sofia. The declaration that was adopted there is an expression of the endeavor of the allied states not to permit military supremacy, but to make it possible to return the international relations to detente and to unify the reciprocal acts [sjednotit vzajemne ciny] of all countries interested in the normalization of the international situation.

We would like to note that the Soviet Union's role in this respect is a particularly active and consistent one. We unconditionally support the peace proposals of Mikhail Gorbachev, CPSU Central Committee general secretary, which are filled with realism, a constructive spirit, and goodwill on the Soviet side.

We anticipated the Soviet-American Geneva summit meeting with hopes. Now the meeting has become a historical fact. Understandably, the results achieved at this meeting will be outlined only in the future, when their significance becomes apparent.

However, even now one can firmly declare that the Geneva talks are an important beginning of positive changes in the development of Soviet-American relations, which exert an immense influence on all factors connected with peace and security, with trust and cooperation between the state and peoples in the world.

In implementing the joint constructive program of the Warsaw Pact member-states for consolidating peace and international security, the People's Republic of Bulgaria is pursuing a consistent policy to avert the danger of a nuclear war and to realize the idea of transforming the Balkans into an area free of nuclear arms.

We, on our part, would like to ardently welcome the CSSR's active and principled foreign policy, which was recently once again expressed in the joint proposal with the GDR to open talks on setting up a zone free of chemical arms in central Europe.

In concluding my speech, I would like to express my gratification with the successful course of our talks. We are deeply convinced that the present visit will substantially contribute toward further consolidating and deepening the fraternal friendship and all-round cooperation between the People's Republic of Bulgaria and the CSSR.

Trade Protocol Signed

LD061741 Prague Domestic Service in Czech and Slovak 1600 GMT 6 Dec 85

[Text] Federal Premier Lubomir Strougal and Grisha Filipov, chairman of the Council of Ministers of the Bulgarian People's Republic, met for talks in Hrzan Palace in Prague today, during which they summed up the conclusions and topical problems of the current international situation.

Earlier in the morning the premiers of the two countries signed a document on specific measures intended to promote the development of economic, scientific and technological cooperation, specialization and production sharing in various production sectors. A protocol on the exchange of goods between Czechoslovakia and Bulgaria for next year was also signed, in accordance with which the volume of mutual delivers will be increased by 15 percent. Czechoslovakia will export to Bulgaria machine and shaping tools, electrical engineering products, construction and textile machinery, machinery for food processing and the chemical industry, and other products.

From the Bulgarian People's Republic, Czechoslovakia will import forklifts and lifting equipment, computing and office equipment, products of the motor industry, hydraulic equipment, nonferrous metals, fresh and processed fruit and vegetables, tobacco, and consumer goods.

An implementation plan within the framework on the agreement on cultural and scientific cooperation between Czechoslovakia and Bulgaria for the period of 1986-90 was also signed at the same time.

A communique on the course and results of Grisha Filipov's visit to Czechoslovakia was adopted at the close of the talks.

Joint Communique Issued

AU091447 Prague RUDE PRAVO in Czech 7 Dec 85 p 7

["Joint communique" on the visit by Grisha Filipov, chairman of the Council of Ministers of the People's Republic of Bulgaria, to the CSSR on 5-6 December]

[Text] Prague (CTK) -- At the end of the friendly working visit by Grisha Filipov, chairman of the Council of Ministers of the People's Republic of Bulgaria, to the CSSR, a joint communique was adopted, which states:

Grisha Filipov, chairman of the Council of Ministers of the People's Republic of Bulgaria, paid a friendly working visit to the CSSR on 5-6 December 1985 at the invitation of CSSR Premier Lubomir Strougal.

Grisha Filipov, chairman of the Council of Ministers of the People's Republic of Bulgaria, was received by Gustav Husak, general secretary of the CPCZ Central Committee and CSSR president, to whom he conveyed fraternal greetings from Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council of the People's Republic of Bulgaria, which Gustav Husak warmly reciprocated.

In a friendly talk, the dynamic development of bilateral relations in all spheres was positively assessed. At the same time, the two statesmen exchanged views on the international situation. In this connection the vital role of the coordinated foreign policy of the Warsaw Pact states was stressed and the increasing importance of strengthening the unity and cohesion of the countries of the socialist community.

Grisha Filipov, chairman of the Council of Ministers of the People's Republic of Bulgaria, paid a visit to the CKD semiconductor plant and inspected the new section of the subway and the pedestrian zone in the center of Prague.

The talks conducted between CSSR Premier Lubomir Strougal and Grisha Filipov, chairman of the Council of Ministers of the People's Republic of Bulgaria, were held in a cordial atmosphere, in the spirit of traditional friendship and understanding. The two premiers briefed one another about the preparations for the upcoming congresses of the CPCZ and the BCP. They noted with satisfaction that the relations between the People's Republic of Bulgaria and the CSSR continue to develop along an upward line on the basis of Marxism-Leninism, socialist internationalism, and the Treaty on Friendship, Cooperation, and Mutual Assistance.

The two sides stressed the vital role of the fraternal cooperation between the CPCZ and the BCP for a lasting expansion and deepening of all-around relations between the two states and nations. In this connection the merits and contributions of Comrades Gustav Husak and Todor Zhivkov to the permanent development and enrichment of bilateral relations in all spheres were underscored.

It was noted with satisfaction that the conclusions and agreements on highest level are being successfully fulfilled. The Czechoslovak-Bulgarian political relations are actively developing, a matter that shows in the intensification of the exchange of experience and consultations along party and state lines, as well as along the line of parliaments, social, and mass organizations.

The two sides noted with satisfaction that mutual economic relations are developing smoothly and dynamically. The strategic line for the development of bilateral economic and scientific-technological cooperation, as an important component of a broad range of relations between the CSSR and the People's Republic of Bulgaria, was determined in the Main Directions of the Expansion and Deepening of the Economic and Scientific-Technological Cooperation Between the CSSR and the People's Republic of Bulgaria After 1985, signed by the general secretaries of the two parties in September 1982. In this connection the activity of the Bulgarian-Czechoslovak Committee for Scientific and Technological Cooperation was underscored.

The premiers positively assessed the results achieved in the field of mutual goods exchange. The value of deliveries in accordance with the long-term trade agreement for the 1981-85 period was exceeded by July 1985.

The two sides stressed that further successes have been achieved in the sphere of the specialization and cooperation of reproduction. The share of production manufactured in the specialized and cooperative manner increased in the mutual goods exchange from 32 percent in 1981 to 44 percent in 1985. Paths were set for the further expansion and deepening of specialization and cooperation, especially in the sphere of the production of automobiles, metal-working machines, robotics, heavy engineering, engineering, the chemical industry metallurgy and so forth.

The results of the coordination of the national economic plans for the 1986-90 period were also assessed as favorable. It is presumed that mutual goods deliveries in the next 5-year plan will grow almost 50 percent compared with the 1981-85 period. The centerpoint of this dynamic growth is engineering, electronics, and the electrotechnical sphere.

The two sides noted the topical nature of elaborating the program of cooperation in the sphere of scientific-technological research between the CSSR and the People's Republic of Bulgaria for the 1986-90 period, which will link up with the planned comprehensive program of scientific-technological cooperation among the CEMA countries after the year 2000. In the course of discussion of the program it was decided to include in it priority disciplines such as new materials, biotechnology, optoelectronics, laser technology, electronization, and automation.

Also, cooperation in the field of tourism is developing successfully. The agreement on the development of tourism between the CSSR and the People's Republic of Bulgaria for the 1986-90 period creates prerequisites for further development of cooperation in this field.

The two premiers paid exceptional attention to the prospects for the development of bilateral economic and scientific-technological cooperation. In this connection they decided to work out a long-term program of economic and scientific-technological cooperation between the CSSR and the People's Republic of Bulgaria for the period up to the year 2000.

They positively assessed the results of cooperation achieved in the sphere of culture, the arts, education, science, mass information media, and in other spheres. Simultaneously they stressed the necessity of expanding and deepening them further.

At the end of the deliberations the premiers signed a document encompassing specific measures aimed at the development of economic and scientific-technological cooperation, specialization, and cooperation in various fields, and in the exchange of goods.

It was noted with satisfaction that the protocol on the exchange of goods for 1986 and the executive plan to the agreement between the Government of the CSSR and the People's Republic of Bulgaria on Cultural and Scientific-technological Cooperation in the 1986-90 period was signed during the visit.

Lubomir Strougal and Grisha Filipov reemphasized the vital importance of the development of all-round relations with the USSR and of constantly perfecting and enhancing the cooperation with the other fraternal socialist countries in all spheres. The affirmed the firm determination of the CSSr and the People's Republic of Bulgaria to exert all their energy for the further development and deepening of the socialist economic integration in accordance with the conclusions of the CEMA economic summit held in Moscow in June 1984.

When discussing the current international situation, the two sides noted that militarist circles in the United States and in some NATO countries are responsible for its complexity, circles that escalate the arms race in the nuclear as well as conventional sphere with the aim of upsetting the military strategic equilibrium in their favor.

The premiers stressed that the realization of the Sofia declaration of the October session of the Political Consultative Committee of the Warsaw Pact states would substantially contribute to the normalization of international relations and help to strengthen peace and the development of cooperation among all states of the world.

The two representatives regard the fact that the political dialogue between the USSR and the United States has been resumed on the highest level to be exceptionally important. They are of the opinion that the results of the meeting of Mikhail Gorbachev with Ronald reagan create more favorable conditions for achieving a turn for the better, not nonly in relations between the two countries but also as regards the improvement of the overall international situation. They regard as particularly important the joint Soviet-American declaration on the inadmissibility of nuclear war, on the two sides' abandoning the effort to achieve military superiority, and the affirmation of the Soviet-American accord of January 1985 on the need to seek ways to avert the feverish arms buildup in outer space and reduce the number of nuclear weapons, and on the reinforcement of strategic stability.

They express their countries' firm determination to strive, together with the socialist states and other progressive forces, to avert the danger of nuclear war, halt the feverish arms buildup, and ensure a move toward real disarmament measures.

The CSSR and the People's Republic of Bulgaria fully support the peace initiatives of the Soviet Union. They favor a radical reduction of the USSR and U.S. nuclear weapons capable of striking the territory of the other side and at the same time they favor not permitting the feverish arms buildup to be transferred to outer sapce, halting all nuclear explosions, concluding an intermim agreement on intermediate-range missiles in Europe without directly linking it with the issue of space and strategic weapons.

The importance of the establishment of nuclear-free zones in central and northern Europe and of initiatives aimed at the proclamation of similar zones in other parts of the world was underscored. The CSSR supports the active endeavor of the People's Republic of Bulgaria to establish a nuclear-free zone in the Balkans. The People's Republic of Bulgaria supports the proposal of the Governments of the CSSR and the GDR for the establishment of a zone free of chemical weapons in Europe.

The two sides emphasized the importance of the consistent fulfillment of the CSCE Final Act for the relaxation of tension on the European Continent. They pointed out the importance of the Stockholm Conference on Confidence-Building Measures and Security and Disarmament in Europe, and declared that they will assist the fastest possible successful conclusion of the conference by adopting a comprehensive document.

Revanchist tendencies casting the territorial and political order in Europe in doubt were condemned.

The two sides underscored the positive contribution of the Nonaligned Movement countries to the struggle for the reinforcement of international peace and security; against imperialism and vestiges of colonialism and phenomena of neocolonialism, racism, and apartheid; for equal economic relations; and to the establishment of a new international economic order.

The two premiers expressed consternation over the existing hotbeds of tension and stressed the need to eliminate them by political means, negotiations, while fully respecting the rights of all nations to determine their path of development independently and freely.

The two sides expressed the conviction that the deliberations significantly contributed to further strengthening the friendship and cooperation among nations and gave a new impetus to an even deeper development of mutual relations in all spheres.

The talks of the two representatives affirmed the full unanimity of views on all issues discussed.

Grisha Filipov, chairman of the Council of Ministers of the People's Republic of Bulgaria, invited CSSR Premier Lubomir Strougal to visit the People's Republic of Bulgaria. The invitation was accepted with thanks.

AUSTRIAN TV REPORTS PRESSURE ON JEWISH COMMUNITY

AU200851 Vienna Television Service in German 1830 GMT 19 Dec 85

[Text] The Jewish population in the CSSR is being put under increasing pressure by the communist authorities. After being subject to reprisals, the chairman of the Jewish community Galsky renounced his new candidacy. His successor is said to be loyal to the regime.

Two thirds of the 360,000 Jews who lived in the CSSR before World War II were killed in the concentration camps. Today the Jewish community in the CSSR number 16,000 members.

FIGURES RELEASED FOR 1986 STATE BUDGET LAW

AU030840 East Berlin NEUES DEUTSCHLAND in German 30 Nov - 1 Dec 85 p 11

["Law of 29 November 1985 on the 1986 State Budget"]

[Text] The GDR People's Chamber, in agreement with the 1986 National Economic Plan, adopts the following law on the 1986 state budget:

Section 1

The revenues and expenditures of the state, the GDR State Budget and the funds of the state-owned combines and enterprises from profits are approved as follows:

	Revenues and Expenditures of the State in Million Marks	State Budget	Funds of the State-Owned Combines and Enterprise From Profits
Revenues	263,750.7	242,879.9	20,870.9
Expenditures	263,590.7	242,719.8	20,870.9
Surplus of revenues over expenditures in 1986	160.0	160.0	-

Section 2

The main items of revenues and expenditures of the 1986 State Budget are approved as follows(in million marks);

	Revenues	Expenditures
State-owned economy (without agriculture, forestry, and the foodstuffs industry)	181,060.9	66,259.9
State-owned and Cooperative Agriculture, Forestry, and the Foodstuffs Industry Including:	12,088.0	7,268.0
-- Price supports for production means for agricultural enterprises	-	(3,327.7)
-- Expenditures on land improvement, location-related bonuses and other production-promoting measures in agriculture	-	(2,448.4)
Academy of Sciences	474.1	1,078.9
Maintenance and Repair of communications	-	5,065.7
Taxes dues	18,107.8	-
Apart. construction and housin. administration of this:	-	15,370.7
-- Comprehensive construction of new apartments		(4,200.5)
-- Modernization of apartments		(543.0)

-- Building repairs of existing apartments		(3,200.1)
-- Management of existing apartments		4,200.5
-- Interest and repayment of loans for apartment building		(3,407.4)
Replacement and expansion of the basic assets of cultural and educational institutions outside comprehensive construction	-	1,997.9
Budget funds for investment and for science and technology for universities and technical schools, the health service and for other state organs and instituions	-	1,558.5
Price supports to ensure stable prices for essential commodities and stable rates to the populace	-	46,224.5
Public education	391.7	8,844.7
Universities and technical schools	325.1	2,796.6
Vocational training	9.0	1,094.4
Adult qualification	39.2	117.4
Health and social services including:	8,427.8	12,726.8
Payments for services of the health service by social security	(6,864.6)	
Remissions of repayments of loans for young married couples	-	221.2
Social security and other state pensions to the citizens	17,554.5	33,553.4
Youth institutions	267.4	570.5
Culture	522.7	2,159.7
Sports	107.6	479.9
Recreation and vacation services	105.3	393.5
Tourism to foreign countries(grants)	-	190.8
Radio and television	575.5	792.6
Commuhal measures and services	124.8	923.3
State apparatus and economic management organs	304.1	4,303.9

Foreign policy tasks	-	264.0
National defense	-	14,045.4
Public security, administration of law, and securing borders	-	5,384.9

Section 3

(1) The central budget is approved as follows:

Revenues	M 191,742.3 million
Expenditures	M 191,582.3 million

(2) The budgets of social security, as an independent component of the state budget within the central budget, are confirmed as follows:

	Blue and White Collar Workers and	Members of the Socialist Production Cooperatives and Other Workers Strata
In millions of marks		
Revenues	15,390.0	1,856.1
Expenditures	28,643.4	3,693.0
Grants from the state budget	13,253.4	1,836.9

Section 4

(1) The budgets of the GDR capital of Berlin and of the Bezirke are confirmed as follows:

Share of this in the overall revenue of the state budget

	Revenues and Expenditures	Total	Of This Earmarked for Investments	Cash balance on 1 January and on 31 December 1986
In millions of marks				
Berlin	7,271.5	4,617.2	2,026.6	39.0
Cottbus	2,746.6	1,184.5	298.7	16.0
Dresden	4,783.0	1,600.8	463.8	36.0
Erfurt	3,521.3	1,144.4	377.6	24.0
Frankfurt (Oder)	2,279.8	975.1	189.3	13.0
Gera	2,128.3	771.5	205.4	16.0
Halle	4,718.0	1,497.5	444.4	33.0
Karl-Marx-Stadt	4,776.3	1,678.3	513.7	33.0
Leipzig	3,847.6	1,259.8	364.3	27.0
Magdeburg	3,684.5	818.9	368.0	27.0
Neubrandenburg	2,008.3	607.6	173.6	19.0
Potsdam	3,100.3	979.5	315.7	24.0
Rostock	2,881.9	1,192.0	284.8	22.0
Schwerin	1,877.1	488.0	160.6	16.0
Suhl	1,513.0	620.8	118.8	11.0
Total	51.137.5	19,435.9	6,304.7	356.0

(2) The local people's representative bodies and their councils are financing the planned expenditures from:

-- remittances of the subordinated combines and enterprises:
-- taxes and dues (without taxes on wages):
-- Other revenues earned by the councils themselves or by institutions subordinated to them;
-- the share in the overall revenue of the state budget.

(3) The local people's representative bodies possess for ensuring the financing of socially useful initiatives for the comprehensive fulfillment and purposeful overfilfillment of the plan, for shaping social life, and for further improving the citizens' housing, working and living conditions, the funds of the local people's representative bodies as well as further revenues in keeping with the valid legal provisions.

Section 5

The Council of Ministers decides, in accordance with section four of the law of 13 December 1968 on the rules on the GDR state budget (Law Register Volume One, No 23, p 383), on changes in the 1986 state budget that are necessary for the implementation of plans. The surplus of revenues over expenditures fixed in section one must not be altered.

Section 6

The minister of finances issues implementation ordinances.

Section 7

(1) This law becomes effective on 1 January 1986.

(2) At the same time the law of 30 November 1984 on the 1985 state budget (law register volume one, no 32, p 395) becomes invalid.

ELECTION DATES SET FOR GOVERNING BODIES

AU122031 East Berlin NEUES DEUTSCHLAND in German 5 Dec 85 p 1

[Text] "Decision of the GDR State Council on Holding Elections for the People's Chamber, Berlin City Parliament, and Bezirk Assemblies in 1986 on 4 December 1985":

At the proposal of the SED Central Committee, elections for the People's Chamber, Berlin City Parliament, and bezirk assemblies for 1986 are ordered in accordance with Article 72 of the GDR Constitution and with Section Six of the Law of 24 June 1976 on the elections to the people's representative bodies -- Election Law -- (Law Register Volume I, No 22, page 301) as modified by the amendment Law of 28 June 1970 (Law Register Volume I, page 139). June 8 has been fixed as the election date.

Berlin 4 December 1985

Erich Honecker, chairman of the GDR State Council; and Heinz Eichler, secretary of the GDR State Council.

PEACE DELEGATION HEAD SUMS UP U.S. VISIT

AU111148 East Berlin NEUES DEUTSCHLAND in German 9 Dec 85 p 6

["Interview With Prof Dr Erich Hahn on Meetings of GDR Delegation in United States"]

[Excerpt] "Regardless of all differences, of the variety and differentiation within the U.S. peace movement, great agreement was established with us on the point that measures to prevent a nuclear war and the militarization of space are absolutely necessary. This is how Prof Dr Erich Hahn, chairman of the Scientific Council of Marxist-Leninist philosphy, summed up the findings of a 2-week trip to the United States by a delegation of the GDR Peace Council under his leadership.

"The commitment of the peace forces deeply impressed me," he stated in talks with our staffer, Dr Klaus Joachim Hermann. "it is to be admired with what courage, determination, and persistance so many people are opposing the arms build up."

This became evident at the fourth national conference of the U.S. Peace Council in New Haven, Connecticut as well as during the talks of the delegation at the headquarters of the movement for the nuclear weapons freeze. Also extremely interesting were the meetings with retired Admiral Gene Larocque, director of the Center for Defense Information, and with David Cortright, national director of the citizens' committee for a health world (Sane), as well as the meeting with Christian peace groups, particularly the Quakers, or organizations such as the "Rainbow Coalition" of the civil rights advocate, the Reverend Jesse Jackson.

"It results from all the talks," Prof Dr Hahn said. "A substantial part of the U.S. populace wishes an improvement of the relations between the United States and the Soviet Union. The hopes and expectations primarily concern the elimination of the military confrontation by means of specific disarmament measures."

SCHUERER HOLDS TALKS WITH IIB CHAIRMAN

AU111332 East Berlin NEUES DEUTSCHLAND in German 7-8 Dec 85 p 2

[Excerpt] East Berlin (ADN) -- On Friday [6 December] Gerhard Schuerer, deputy chairman of the GDR Council of Ministers, candidate member of the SED Central Committee Politburo and chairman of the State Planning Commission, received in Berlin Albert Belichenko, chairman of the board of directors of the Moscow International Investment Bank (IIB).

During their friendly talk the level of cooperation between the appropriate organs of the GDR and the IIB as well as tasks related to the coordination of the plans for the 1986-90 period with the CEMA countries were discussed.

CORRESPONDENT SUMMARIZES SHULTZ INTERVIEW

LD191843 Budapest Domestic Service in Hungarian 1730 GMT 19 Dec 85

[Elemer Csak report]

[Text] U.S. Secretary of State Shultz gave a statement about his East European trip to NBC-TV. Our New York correspondent Elemer Csak summarizes the interview:

My trip lived up to expectations for the most part. The purpose was to develop relations with these countries, and to build mutually advantageous ties. Another aim was to exchange views about East-West relations and about the Geneva summit meeting, Shultz said. The U.S. secretary of state pointed out that an improvement in U.S.-Soviet ties, if it were to happen, could have an effect on other regions, including Eastern Europe.

The countries visited on this trip have a vested interest in the Geneva process, Shultz added. He said that the leaders of Hungary, Yugoslavia, and Romania received a similar appraisal from the USSR on Geneva to the one provided by the United States. As one of the main lessons of the visit, the U.S. secretary of state stated that the three countries on the tour differ greatly owing to their own history and unique culture. This difference is a fact of life, which is accepted and encouraged by the United States. The intention of U.S. policy is to ensure that relations develop on the basis of mutual advantages, George Shultz said in his NBC-TV interview.

HOPE REMAINS FOR U.S. NUCLEAR TESTING MORATORIUM

LD192012 Budapest Television Service in Hungarian 1830 GMT 19 Dec 85

[Excerpts] NATO's general secretary made use of his Karlsruhe speech to warn the organization's members who are not toeing the line.

Unfortunately, the NATO general secretary had no words of criticism for the United States for not joining the nuclear test moratorium unilaterally undertaken by the Soviet Union. And yet for a few days more the hope still lives that Washington will join, since the Soviet initiative is valid until 1 January and, as you also know, it can only be extended if the United States also suspends tests. Moscow has even gone to meet the U.S. leadership on the issue of verification. It supports the concept of both international and on-the-spot inspection. In other words, the issue of verification is no longer an obstacle to agreement. President Reagan is said to have evaded a response in Geneva, when Mikhail Gorbachev urged the reciprocal suspension of nuclear tests. One can only hope that the U.S. leadership will surpass itself in the remaining days of the year.

FURTHER REPORTAGE ON OLAH'S FUNERAL RITES

Soviets, Others Pay Respects

LD191405 Budapest Domestic Service in Hungarian 1300 GMT 19 Dec 85

[Text] Istvan Olah, Army general and defense minister, has been buried with military honors, in Budapest.

Viktor Kulikov, marshal of the Soviet Union, commander in chief of the Warsaw Pact's Joint Armed Forces; Anatoliy Gribkov, Army general, first deputy commander in chief of the Joint Armed Forces Staff; as well as the ministers of defense of the fraternal countries and Marshal Sergey Akhromeyev, Soviet chief of staff, first deputy of the minister of defense, have arrived in Hungary for the funeral. The Austrian defense minister, the chief of staff of the Yemen People's Republic, and the first deputy of the Yugoslav Ministry of Defense, also attended the funeral.

Lazar Receives Soviets, Others

LD192030 Budapest MTI in English 1748 GMT 19 Dec 85

[Text] Budapest, December 19 (MTI) -- Gyorgy Lazar, chairman of the Hungarian Council of Ministers, met in Budapest on Thursday [19 December] the foreign military personalities who attended the funderal of Army General Istvan Olah, Hungarian minister of defence.

At the meeting the delegations of the Warsaw Treaty member states were represented by Sergey Akhromeyev, marshal of the Soviet Union, chief of staff of the Soviet Armed Forces and first deputy of the Soviet minister of defence, Army General Dobri Dzhurov, Bulgarian minister of defence, Colonel General Milan Vaclavik, Czechoslovak minister of defence, Army General Florian Siwicki, Polish minister of defence, Army General Heinz Kessler, minister of defense of the GDR, Colonel General Vasile Milea, Romanian minister of defence, and Viktor Kulikov, marshal of the Soviet Union and commander-in-chief of the Joint Armed Forces of the Warsaw Treaty member states.

Present at the meeting were Friedhelm Frischenschlager, Austrian federal minister of defence, Colonel 'Abdallah 'Ali 'Ulaywah, chief of staff of the Armed Forces of the People's Democratic Republic of Yemen and first deputy of the minister of defence, Colonel General Veljko Kadijevic, deputy minister of defence of Yugoslavia, and Army General Anatoliy Gribkov, chief of staff of the Joint Armed Forces of the Warsaw Treaty member states.

The meeting was also attended by Istvan Horvath, secretary of the HSWP Central Committee, Lajos Czinege, deputy prime minister, and Lieutenant General Lajos Morocz, state secretary of defence.

Czinege, Others Eulogize Olah

LD200446 Budapest Television Service in Hungarian 1830 GMT 19 Dec 85

[Text] Today the country is saying farewell to Army General Istvan Olah, minister of defense, who was blessed with outstanding qualities of leadership -- a communist officer, a modest, humble person. He had started his career as a teacher. He stepped over the threshold of the Kossuth Academy in 1947 and set out on the sadly brief journey of his beautiful career. Death took him away from us at age 59. On 15 December his heart failed. Istvan Olah was taken on his last journey to the Imre Mezoe Road Cemetery. On behalf of the MSZMP Central Committee and the Council of Ministers, Lajos Czinege, deputy premier, bade him farewell:

[Begin Czinege recording] You were a soldier in according with the calling of the career you pursued. Those who knew you considered you to be a soldier through and through.

But, or perhaps precisely because of this, you professed it and worked in the spirit of the belief that the connection between the People's Army and the socialist society, the people, must be constantly developed, strengthened, and renewed again and again. As a politician and as a man you lived an open life; you liked to deal with everything that concerned the people, the fate and life of your class brothers. You lived and worked in such a way that, as a result of your teaching and training work, under the effect of your personal example, a long series of military leaders, commanders, grew up alongside of you, under your hand. [end recording]

On behalf of the People's Army, the family in mourning, the friends and the comrades in arms, Lieutenant General Lajos Morocz, state secretary in the Ministry of Defense, bade farewell to Istvan Olah:

[Begin Morocz recording] Our esteemed friend, our comrade in battle. You were a real man of public life, simple, modest and humane in thinking. In whatever sphere you moved you were quickly able to form true, human relationships. In the sphere of soldiers, of the members of the armed corps, in every stratum of society you have many sincere, respecting, and true friends, who learned of your death with deep regret. Your death has left a big void. We will safeguard your memory by closing our ranks shoulder to shoulder, further continuing the great work which was started with your leadership, by continuing the work for realization of our party's defense policy, for the development and modernization of our People's Army. [end recording]

On behalf of the Warsaw Pact's defense ministers and representatives, the sympathy of the comrades in arms was expressed by Minister of Defense Florian Siwicki, PZPR Politburo alternate member. He said that in the course of the joint work, at the consultations and at the maneuvers of the allied armies, they had had an opportunity to become acquainted with Gen Olah's character, his high degree of preparedness, and his commitment for the cause of socialism. Afterward, with military honors, the earthly remains of Istvan Olah were laid to eternal rest.

AFFECTED RESIDENTS DISCUSS DANUBE WATER PROJECT

LD191825 [Editorial Report] Budapest Domestic Service in Hungarian at 2009 GMT on 16 December 1985 carries a 71-minute report entitled "From Bratislava to Nagymaros: Along the Danube Water Barrage With Engineers." The report, produced by Laszlo Rapcsanyi begins with a discussion with Miklos Szanto, director of the National Water Affairs Investment Enterprise, about the details of the joint Hungarian-Czechoslovak project to build a water barrage and hydroelectric station on the Danube. In this discussion the interstate agreements and its terms are outlined.

Next, at Dunakiliti, there is a conversation with the Hungarian-speaking director of the Austrian construction firm Universal Baukit, the same firm that constructed the Atrium Hyatt Hotel in Budapest. The director describes the work involved in constructing the water barrage at that point. According to the contract, the cost will be some 400 million schillings, and the work will take 16-17 months with 70 percent of the workforce supplied by Universale and 30 percent by Hungary.

On environmental issues, Szanto says that 700 hectares of forest will be cut out but much of this will be replanted after construction is completed. Water for land irrigation will be made available if the local farmers want it, but there are no plans to build a sewage network.

Both Szanto and a Hungarian earthquake expert, who is also interviewed, assure listeners that the dikes and the construction are designed to withstand even earthquakes.

The reporter then visits the village of Doborgac in the Csallokoez region, the Hungarian name for the area on the Slovak side of the Hungarian-Czechoslovak border along the Danube which is populated by the Hungarian national minority. A resident of the village who is interviewed, speaking in Hungarian, says that three villages will be made into an island by the construction. Most of the land coming under water is owned by local cooperatives while the few private landowners affected have surely been compensated. A family which is interviewed complains that the ferry to transfer the residents of the villages is no solution because for years there will be no water until the project is completed. The old road was destroyed and a new has been built but going to Bratislava to work takes an hour longer because it is 20 km further. Most of the villagers work there.

The reporter then asks: "When you said this at the village assembly, how did officials reply?" A male voice replies: "It is now a fact, it has been decided."

The reporter then asks if "there is a feeling here that people will migrate from these three Csallokoez villages." The reply is: "They are already migrating." The reasons, as the residents explain, are that there are no schools for children over 10 years old, that there are no leisure facilities, and no medical treatment and no clinics.

The program then moves on to Bratislava to speak to the CSSR coordinating office, where there is an interview with Obrozhinski, an engineer, who speaks in Slovak with a superimposed Hungarian translation. Obrozhinski describes the agreement and gives a general outline of the project. He is asked if there are disagreements with the Hungarian side. He replies that "in the end they have always managed to agree." Speaking about the Gabickovo area, he says that 98 percent of the work is concentrated on the Gabickovo water barrage and 50 percent of that work is already done. Then the reporter plays back to Obrozhinski the recorded interview with the villagers in Doborgac. The engineer replies that "there were two basic options: either to move them or to have them face even greater problems."

The reporter then asks whether the "residents had any choice." Obrozhinski replies that "the public mood at the time was that residents did not want to go." And, "We do not plan further development in these villages because there are no more work opportunities there; they commute to work as it is." He adds that the ferry will not work in the winter as the river ices up, but to construct a bridge would have cost about kcs 500 million, which would be uneconomic for 500 villagers.

Next, Rapcsanyi and Szanto discuss the fluctuation of the water level which, after the construction, will not cause any problems and will probably not cause long or temporary closures.

They then move on to the Nagymaros-Visegrad stretch of the river, where Szanto remarks that in future there will be no floods. The water barrage will not pollute the river or any wells. Then Rapcsanyi speaks to Dr Bela Berdar, Hungarian National Assembly deputy, who says that residents of Nagymaros and Visegrad have been complaining about the lack of a bridge. There is now only a ferry and it stops running in fog, during the winter, or when there are adverse water levels.

Now there will be a bridge constructed on the barrage itself. He stresses on behalf of the residents that if at a later stage money became short, it must not be the natural and environmental protection measures that will suffer.

The program ends with participants discussing the prospects of passenger traffic on ships as far up as Germany.

NATIONAL ASSEMBLY DEBATES BUDGET PROPOSALS

AU111305 Budapest MAGYAR HIRLAP in Hungarian 10 Dec 85 p 6

[G.K.K.-signed report: "National Assembly Committee Session -- Regulators and Performance"]

[Text] The Industrial Committee of the National Assembly discussed the budget proposal for 1986 in parliament on 9 December. After the introductory address by Ignac Gorjanc, chairman of the committee, Industry Minister Laszlo Kapolyi stressed that, although the leadership of industry had approved the budget plan, it nevertheless concluded that this plan contains several risk factors, primarily concerning the material resources of technological development. Contrary to the original plans, the current year has not been a good "leader" and we failed to thoroughly fulfill not only the requirements of the convertible currency markets but often also the domestic qualitative requirements.

"Only selective industrial development can bring about a breakthrough," said the industry minister. "In order to achieve the main strategic goals in the future the ministry -- applying the experience of contracts used to increase convertible currency exports -- will sign contracts with certain industrial enterprises. (This will primarily affect three areas: the industrial background of housing construction from individual resources; the improvement in the quality of light industry products; and the production of energy-saving installations serving the needs of the population). An important question is how will industry be able to increase its exports? This is also a prerequisite for the introduction of modern technology but channeling back a part of the surplus income produced can also create the material basis for a more accelerated development of the driving sectors [huzoagazatok]."

Laszlo Kapolyi also spoke about the fact that the 24 million metric tons of coal production stipulated in the next 5-year plan is enough for only modest industrial development, more dynamic growth requires more coal production. Otherwise, the proportion of hydrocarbons used in electric energy production will increase, and there will be less raw material at the disposal of the petrochemical industry.

The industry minister's address was followed by a debate. Among other things, Jozsef Tollar, Zala County deputy, spoke about the fact that the rapid changes in the system of interestedness have a curbing effect on the enterprises' risk-taking and their technological development. Budapest Deputy Pal Gagyor spoke about a "confidence crisis" between the enterprises and the leadership, and although this is an exaggeration it is a fact that complete harmony does not always exist between the concrete economic management regulations and the political intention.

He also spoke about the 100-billion forint industrial stockpile which is inadmissibly high, especially now when there is a shortage of means. (Speaking about the justification of stockpiling, Ignac Gorjanc said that in the case of limited and irregular imports the enterprises' defense through stockpiling is inevitable.) As the speaker pointed out, the new type of relations between the Industry Ministry and enterprises requires the formulation of methods that are different from those used earlier, or else the ministerial apparatus might again enforce a reorganization. The chairman of the industrial committee spoke rather sharply about the "unrealistically high" and "intolerable" level of taxes.

Also taking the floor in the debate were Jozsef Dudla, secretary of the Industrial Committee; Mihaly Juhasz, Budapest deputy; Csongrad County Deputy Aladar Juratovics; Pest County Deputy Laszlo Kovacs; Hajdu-Bihar County Deputy Gusztva Lekai; and Beke County Deputy Mrs Andras Szarvas.

Miklos Pulai, deputy chairman of the National Planning Office, also participated in the session. In answering the deputies' questions, he stressed that the extent of taxation as a whole is not a matter of regulators but of economic policy. The concepts concerning the modernization of the tax system, the introduction of value-added tax, and the system of new income taxes are expected to be outlined next year.

Miklos Pulai also mentioned the situation with regard to private cars. According to him, so that we will be able to achieve the desired stock of 2.1-2.5 million units by the year 2000, we must decide in the first half of next year on a possible assembly plant or a cooperation project for main parts. This seems to be the case because the necessary quality and quantity of vehicles cannot be imported from socialist sources alone.

The session ended with Ignac Gorjanc' concluding address.

BRIEFS

DOMESTIC TRADE FIGURES -- About 10 percent of goods sold in Hungary come from the socialist countries. This figure has remained unchanged for the past 5 years despite higher demand and the efforts of the Hungarian Ministry of Domestic Trade. This year this 10 percent translates into 45 billion forints, 80 percent of which is technical goods, 10 percent foodstuffs, and the remaining 10 percent clothing. Three-quarters of the 45 billion forints-worth of goods arrive in Hungary on the basis of state-to-state agreements, while the rest is made up of 'variety exchange' between state or cooperative trade enterprises in the socialist countries, or border trade. On the basis of the 1986-90 Planning Office negotiations among the socialist countries, Hungary can expect an annual 2 or 3 percent increase in the volume of goods received. [Summary] [Budapest Domestic Service in Hugarian 0600 GMT 18 Dec 85 LD]

TRADE AGREEMENT WITH ALBANIA -- Budapest: A Hungarian-Albanian goods exchange agreement has been signed. According to the 5-year agreement the volume of exchanged goods will increase. Thus, Hungary will again start exporting complete installations to Albania. Most of the imported items will continue to be gasoline and tobacco products including cigarettes, but Albanian citrus fruits are also expected to appear in Hungarian markets soon. [Text] [Budapest Domestic Service in Hungarian 1730 GMT 19 Dec 85 LD]

MOSCOW PRAVDA ARTICLE CITED ON MORATORIUM

LD192033 Warsaw Television Service in Polish 1800 GMT 19 Dec 85

[Correspondent Leslaw Nowak report from Moscow]

[Text] With the approaching year end, the issue of the possibility of extending the unilaterally declared Soviet moratorium on all nuclear explosions, in force until 1 January 1986, presents itself. Mikhail Gorbachev spoke of this yesterday during a meeting with representatives of the Movement of Physicians for the Prevention of Nuclear War.

Today, this question is taken up by the daily PRAVDA. The Soviet leader expressed the Soviet Union's willingness to extend the moratorium on the condition that it is taken up by the United States. He stated that there remains a unique chance of making it mutual, of treating it as a step in the direction of agreement on the complete ban of all nuclear arms tests. It would be senseless, he added, not to exploit this chance; the decision rests with the U.S. Government.

A constructive approach by the United States, comments PRAVDA in turn, would create a qualitatively new, and considerably more advantageous situation for the development of the positive process begun by the Geneva summit. Another important step, the paper points out, would be the renewal of trilateral Soviet-American-British talks on the universal banning of nuclear weapons tests, adding that the Soviet side is prepared to do this immediately, by the very beginning of next year. It is stesssed in Moscow that experiments with nuclear weapons stimulate the arms race. A moratorium, a ban on nuclear explosions, introduced through possible international agreements, will bear fruit in the progress of detente.

[Announcer] Commenting on the PRAVDA article, PAP writes: President Ronald Reagan declares that he wants to make nuclear arms obsolete and useless by transferring the arms race into space. Mikhail Gorbachev, however, proposes taking a short-cut to the same place, by halting the nuclear arms race without transferring rivalries to any new sphere whatsoever. It is this route, presented anew in the PRAVDA article, which without a doubt appeals more to common sense.

VICE PREMIER GWIAZDA ON MOSCOW CEMA SESSION

AU191215 Warsaw RZECZPOSPOLITA in Polish 17 Dec 85 pp 1 - 2

[Interview given by Vice Premier Wladyslaw Gwiazda to Tomasz Bartoszewicz: "The 41st Extraordinary CEMA Session -- Making Good the Gap" -- date and place not given]

[Excerpt] [Bartoszewicz] Why is the CEMA session an extraordinary session?

[Gwiazda] In line with the CEMA statutes, extraordinary sessions are convened to examine issues that are exceptionally important and urgent and that interest the member countries in the periods between ordinary sessions, which as a rule are held once a year. The last session was held in Warsaw last June, and the next one will be held in Bucharest next year. However, since it is urgently necessary for the CEMA summit to deal with certain issues, the member countries decided to convene an extraordinary session, which will be held in Moscow in line with the statute.

[Bartosziewicz] What issues are so urgent that an extraordinary session must be convened?

[Gwiazda] The first issue is the Comprehensive Program for Scientific-Technological Progress of CEMA Countries up to the Year 2000. Last year's economic summit of the CEMA countries decided that such a program should be drawn up, because the socialist community is now facing the greatest challenge of its postwar history -- the technological challenge involving such large-scale innovations as microprocessors, robots, lasers, light conductors, high-speed computers, and biological processes, These innovations require rapid and determined activity. Due mostly to the initiative and commitment of the USSR, it has been possible to draw up such a program in a short time. Havine done this, we decided to convene the extraordinary CEMA session at once without waiting for the routine session.

[Bartosziewicz] This means that heads of CEMA governments will examine this draft program, which deals with scientific and technological development in the next 15 years. But why is this program so important? Could you not have waited for next year's routine session?

[Gwiazda] The issues under discussion are of key significance for the economic development of all CEMA countries. We must jointly solve problems of scientific and technological progress. Except for the USSR, no CEMA country could tackle this task on its own. Nor are we able to expect that modern technology will come to us from the capitalist countries because, as you know, they practice various forms of discrimination and embargo in this field. That is why we should urgently combine our efforts in the interest of each member country and of the socialist community.

[Bartosziewicz] Scientific-technological progress is a very large field, and it is hard to imagine that it is possible to tackle all of its aspects at the same time. Do you have any priorities?

[Gwiazda] It is expected that the CEMA countries will focus their efforts on five priority tasks -- electronics for the national economy; comprehensive automation employing flexible automated production systems; nuclear energy; technologies of the production and processing of materials; and biotechnology. These areas are the foundation of a breakthrough in science, technology, and production. That is why they will be the main substance of the decisions and, in some cases, of the uniform scientific-technological policy of the CEMA countries.

23D PZPR CC PLENARY SESSION TO BEGIN 20 DEC

LD191634 Warsaw PAP in English 1425 GMT 19 Dec 85

[Text] Warsaw, Dec 19 -- The 23rd PUWP CC plenary session will start here tomorrow. The two-day debates will review party tasks in reaching social and economic goals in Poland's development in 1986.

REPORTAGE ON URBAN'S 17 DEC PRESS CONFERENCE

LD172332 Warsaw Domestic Service in Polish 1800 GMT 17 Dec 85

[Report on Polish Government Spokesman Jerzy Urban's 17 December news conference by Reporter Marek Kassa; passages in quotation marks recorded statements by Urban]

[Text] Here now, as was announced, is the report from Government Spokesman Jerzy Urban's conference for foreign correspondents.

The report was prepared by Marek Kassa:

During the conference, the spokesman said that the visit by Erich Honecker to our country was part of the now traditional annual meetings between the leaders of Poland and the GDR. During this visit there was a review of relations, and it was satisfactorily stressed that they are constantly developing. Both leaders were pleased with the talks, the best testimony of which is the communique and the documents signed, stated the spokesman.

Because West German radio suggested that Lech Walesa no longer declares himself in favor of the Polish frontier on the Odra and Neisse, I asked for a comment of this.

"On 12 December West German radio quoted an interview given by Walesa to the daily DIE WELT, and the weekly VORVARTS, and stated that in this interview, Walesa manifested far-reaching reservations in regard to German-Polish relations, as well as in relation to the western frontier of the Polish People's Republic. This very delicate West German radio commentary refers, I assume, to an excerpt where journalists asked Walesa: What do you think about the constantly fueled discussion in the FRG on the subject of the Polish western frontier? Walesa replied that he was a trade unionist, not a politician, and for that reason, he did not want to say anything on this subject. And so, a question was presented to Walesa, the trade unionist: Some people in the FRG, who on the one hand constantly place the Polish western frontier under a question mark, on the other hand, demand more human rights for Poland. "Still others, often the same ones, support Solidarity, at the same time wishing to limit the right to strike in the FRG. Is all this is known to you? And what can you say on this subject? Walesa replied: I can say very little on the German subject; I do not have a clue about how your situation looks. That is why it is very difficult for me to reply to these questions.

Lech Walesa gives many interviews; of course, they are political ones. It is very difficult to keep track of everything he says, as these interviews are so abundant. The interview I cited, those sentences I quoted, are from a political interview. After all, with this particular question and its reply it drew the attention of West German radio. This is the only time when Walesa replied that he does not involve himself in politics--just when he was asked about his attitude toward the Polish western frontier.

"This is fairly significant. I think that when there are no street demonstrations, no political force, and no spectacular possibilities for sale any longer, the sale of fundamental Polish national interests, a matter which has never divided Poles before, begins. [as heard] This is very regrettable."

What is the climate at the universities after the recent personnel changes there in the authorities? That was another question.

"The universities are calmly implementing their tasks. The climate is one of work. Of course, such personnel decisions are the subject of very lively interest and comment at the particular universities they affect. There are differences of opinion: There are people who think the decisions are right. There are those who think they are wrong, for various reasons, often for human, not necessarily political ones. The prevalent climate at the universities is one of normal activity, which these decisions were, after all, meant to promote."

A Radio Polonia journalist asked if it was true that Polish television intended to buy the film "This Is America."

"Indeed, I have heard that such a plan is being discussed. I know this film and I do not suppose that Polish television will decide to show it. There are many scenes depicting customs that are very daring to us. There are many fairly brutal scenes. If such a decision (?were to be made), it would be a difficult decision. I doubt whether television will make it."

Krzysztof Bobinski from the FINANCIAL TIMES was interested in the results of the consultations concerning work hours next year.

"The consultations in point concern the executive act to the Act of 31 July of this year on the adaptation of the provisions of certain laws defining the operation of the economy, and the conditions and requirements of the country's further socioeconomic development. In Article 4, it is stated that in order to carry out the most important tasks for the population's living conditions, for defense capability, and for economic development in the years 1986-90, the government may by decree, after consultations with the OPZZ (National Trade Union Accord), decide on a list of fundamentally important plans for the national economy, to which work hours of up to 8 out of every 24 hours, i.e. 46 hours per week apply.

"Therefore, the point is to establish a list of enterprises where work hours can be increased to 46 hours per 24-hour period. [as heard] The trade unions in such enterprises and branches of industry have acquainted themselves with the proposals to enter such enterprises on a list and generally are against an increase in work hours in their own enterprises. I must explain that these are the enterprises which have very clear economic importance, where the supply of raw materials is provided and that, as a principle, the 42-hour work week is in force and anything above that is paid as overtime."

During the conference, Jerzy Urban also corrected some reports about Poland which appeared in the West. Here are two examples:

"West German Radio broadcast a news item entitled: 'Militia Stops a Demonstration in Gdansk; which mentioned 60,000 faithful individuals who left a church in Gdansk and intended to demonstrate after mass. This is a peculiar news item. On the day it referred to, 13 December, there were no such events. On the other hand, on 16 December, the day following the broadcast, several hundred, perhaps even a thousand people attempted to organize a street demonstration outside the Church of St Stanislaw Kostka and the area near the church. They stood there and shouted a greetings to the underground and later one could see that there was an attempt to organize street demonstrations.

"And so, I'll make two remarks: first, about the clairvoyance of West German Radio, which anticipated the events of the following day, and second, concerning miraculous multiplication. In this radio's opinion, 60,000 people intended to demonstrate. However, once there were 1,500 in the church and the second time, the same. It is uncertain what is going on. Radios seem to have at their disposal equipment to measure the intentions of people sitting at home. I do not know.

Radio Free Europe also put forward a particularly foul lie. On 10 December, a broadcast by this radio station included the sentence: Father Sylwester Zych is serving a sentence of 6 years imprisonment imposed on him for his refusal to reveal, during confession, the names of two juveniles who had admitted to killing a militiaman. In reality, Father Sylwester Zych was sentenced for participating in an armed union, having as its aim the gathering of firearms, for the committing of other crimes threatening security and public order, and for hiding, a pistol, cartridge magazines, and ammunition at various times in his apartment without the required permission, knowing that the weapons had been stolen by members of the armed union, [words indistinct] from soldiers of the Polish Army."

Government Successes, Failures

LD191927 Warsaw Domestic Service in Polish 1800 GMT 19 Dec 85

[Report by correspondent Marek Kassa on 19 December news conference with Polish journalists by Government Press Spokesman Jerzy Urban]

[Excerpts] Asked about the successes and failures of the government this year the spokesman said that the successes include the Sejm elections, Poland's international activities and its coming out of isolation, and at the same time the progressing integration with socialist countries which makes the international power structure more and more favorable to us. Also, the economic results of the fourth quarter were good: Growth in production will probably amount to 5 percent and not 4 percent as planned. Good results have also been achieved in agriculture and we are particularly pleased with the growth in the number of pigs. Another success was the increase in trade turnover with socialist countries and the abandonment of the rationing of successive food products.

The failures are as follows: It was not possible to improve relations with the United States. The industrial production plan will not be fulfilled this year -- it is envisaged that it will fall by 0.5 percent short of the target, and planned exports to capitalist countries will not be fulfilled. We will therefore have a smaller surplus of foreign currency with which to repay our debts. It is also worrisome that there is no equilibrium in the market and fiscal situation.

Asked about envisaged price rises Jerzy Urban said that they would not take place this year. Those who are crowding into shops which sell alcohol are doing so needlessly. Rail and bus fares will also not go up, neither will tea, coffee, or detergents, in spite of rumors to that effect.

In the coming year the plan assumes an increase in prices from 8.5 to 9 percent, but at the moment it is not known which products will go up.

Jerzy Urban reported that on 17 December, 183 people were imprisoned for noncriminal offences and so far 211 people have been released following the appeal by the Patriotic Movement for National Rebirth [PRON].

Speaking next about criminal offences, the spokesman stated that they have dropped significantly in number since September of this year and that their detection rate has increased. Speaking about the public opinion polls the spokesman stated, among other things, that they indicate a growth of society's trust in the state.

Further on University Purge

LD190954 Warsaw Television Service in Polish 2045 GMT 17 Dec 85

[From statement by Government Spokesman Jerzy Urban at his 17 December press conference -- recorded]

[Excerpt] In the TIMES Mr Boyes has written a multitude of untrue things about what is happening at Warsaw Technical University. He writes about a purge at the Technical University measured by a stop watch, and states: Special teams of the worker-peasant inspectorate are observing the classes in order to check on which of the lecturers are late or finish their classes before the scheduled time. There is no worker-peasant inspectorate. Nobody -- perhaps unfortunately -- checks up on the punctuality of classes, and there are no cases of penalties of this kind.

Further, Mr Boyes writes: At Warsaw Technical University, the Bridge Club has become politically suspect. Some of those frequenting it have been interrogated. I don't know who suspects or interrogates them. Our authorities know nothing of this. They do not even know of the existence of a bridge club, though (?I) do not deny its existence.

Mr Boyes also said new directives envisage the creation of the post of guardian of order at the college. This is a voluntary post, so it is not surprising that many establishments are unable to find candidates. This is complete rubbish, there is no such post, no such idea, and nobody is looking for candidates, so that is why they can not be found.

The only piece of information which smacks, if only slightly, of the truth is the report that many lecturers at the Technical University must receive two political references from political or social organizations before the renewal of their contracts can be considered. This is said to create problems, since the only legal political organization there is the Communist Party. It is not true that there is only one legal political organization at the Technical University. There are several of them. Nor is it true that the lecturers must get references.

References must be obtained by those who are to be promoted to docent or professor. They need a reference from some sociopolitical organization. It may be the party, or it may be a youth organization or the teachers' union. This was always the case -- in 1981, too. (?And so) such mixtures of quarter-true news and totally untrue news jointly create a mixture intended to evoke in the West an impression which is generally untrue.

LIVING STANDARD, FINANCIAL STATUS POLL CONDUCTED

LD171737 Warsaw PAP in English 1720 GMT 15 Dec 85

[Text] Warsaw, Dec 15 -- According to a recent poll by the public opinion probing centre CBOS on the living standard in Poland, 58.7 per cent of those polled in 1984 evaluated the living standard in Poland as not so good, 17.9 per cent termed it as bad, and only 15 per cent were satisfied with it. 7 per cent were not able to make an assessment and 0.6 per cent marked the living standard in Poland with the highest score.

The majority of families who see their financial position as an average one have enough money -- on monthly basis -- only for current living, while the remaining expenditures must be financed through loans or additional sources of income.

The average monthly income for one member of a household was following: in December 1984 -- 8,357 zlotys, March 1985 -- 8,127 zlotys, in June 1985 -- 9,573 zlotys, in September 1985 -- 8,391 zlotys (figures from working class families and pensioners) and in October 1985 -- 9,400 zlotys.

Polls from October 1984, showed that white-collar workers are best equipped with luxury goods. 51.6 per cent of those polled owned colour TV sets, 85 per cent had cars and 68.8 per cent automatic washing machines. Respective data concerning workers were as follows: 20 per cent, 19.8 per cent and 32.3 per cent.

An analysis of this information shows that certain improvements of living standards took place in the years 1984-85. However, the importance of this fact should not be overestimated because of the scale of declining living standards during the crisis. The public feeling continues to be dominated by dissatisfaction over one's own financial situation.

CEAUSESCU RECEIVES MARSHAL KULIKOV, GRIBKOV

AU201119 Bucharest Domestic Service in Romanian 1100 GMT 20 Dec 85

[Text] Comrade Nicolae Ceausescu, RCP secretary general, president of the SR of Romania, and supreme commander of the Armed Forces of the SR of Romania; this morning received Marshal of the Soviet Union Viktor Kulikov, commander in chief of the Joint Armed Forces of the Warsaw Pact countries, and Army General Gribkov, chief of staff of the Joint Armed Forces, who have visited our country.

On this occasion, the guests extended, on behalf of Comrade Mikhail Gorbachev, CPSU Central Committee general secretary, friendly greeting to Comrade Nicolae Ceausescu, together with best wishes for good health, happiness, and success in his activity.

Comrade Nicolae Ceausescu expressed his thanks and asked the guests to convey his greetings to Comrade Mikhail Gorbachev, as well as best wishes for success in his overall activity.

The talk which took place was held in a comradely atmosphere.

The meeting was attended by Colonel General Vasile Milea, minister of national defense.

OPREA RECEIVES USSR OIL MINISTER DINKOV

AU191609 Bucharest AGERPRES in English 1548 GMT 19 Dec 85

[Text] Bucharest AGERPRES 19/12/1985 -- On December 19 Romanian Deputy Prime Minister Gheorghe Oprea, was called on by V.E. Dinkov, minister of oil of the Soviet Union, now visiting Romania.

During the interview the sides highlighted the good Romanian-Soviet relations of economic collaboration as well as the possibilities at hand for their further development and diversification in domains of joint interest, inclusive of the field of oil.

CEAUSESCU WELCOMES BCP'S ZHIVKOV ON ARRIVAL

AU201012 Bucharest AGERPRES in English 1009 GMT 20 Dec 85

[Text] Bucharest, AGERPRES 20/12/1985 -- Todor Zhivkov, general secretary of the CC of the Bulgarian Communist Party, president of the State Council of Bulgaria, arrived in Bucharest on Friday, December 20, for a visit of friendship to Romania at the invitation of Nicolae Ceausescu, general secretary of the RCP, president of Romania.

Upon his arrival at the Otopeni Airport, the distinguished guest was warmly welcomed by the RCP and Romanian state leader, by other Romanian officials.

LANGUAGE POLICIES IN CROATIA, SERBIA VIEWED

Statement of Croat LC

LD030145 Belgrade TANJUG Domestic Service in Serbo-Croatian 1750 GMT 2 Dec 85

["Text" of statement issued at conclusion of 2 December LC of Croatia Central Committee Presidium session on language policy and practice.]

[Text] Zagreb, 2 Dec (TANJUG) -- As a part of its activity aimed at implementing its work program, the LC of Croatia Central Committee Presidium has discussed the phenomena and tendencies regarding language policy and practice on several occasions in this and previous years. As a result, the Presidium adopted the following stands on the topical issues of the language policy at its session today. Here is the text of the statement issued after the session:

The efforts at promoting and developing the Croat or Serbian language and the languages of the nationalities are an inseparable and essential part of the continued overall policy, activity, and responsibility of all organized socialist forces in the SR of Croatia.

Through its policy and ideopolitical activity, the LC of Croatia worked toward creating and developing the awareness of the need for, and practice of, securing and developing equality, tolerance, and closer links between the nations and nationalities in the SR of Croatia and the SFRY as a whole in the field of language.

The equality of languages and the nations' and nationalities' freedom to develop their own languages within our socialist community are essential prerequisites for the consistent observance and realization of their constitutional rights and constitute an important factor of consolidating and developing brotherhood and unity, of further developing our socialist revolution, and of strengthening the power of the working class. The LC of Croatia used, as its point of departure, the fact that the equality and tolerance in the use of either the Croat or Serbian language is a lasting achievement of our common history, of the national liberation struggle, and of the coexistence of the Croat and Serbian nations within the Socialist Republic of Croatia.

In our society's present situation, confronted by many economic and political difficulties, in which all types of opponents of self-managing Socialist Yugoslavia -- founded upon the brotherhood and unity of its nations and nationalities -- are becoming increasingly vociferous, the activity from nationalist positions has also been intensified in the sphere of language. It is no coincidence that the basic strategic course of Croat nationalism, in particular, has been constantly reflected in the attempts to refute the scientific facts according to which the language spoken by Croats, Serbs, Montenegrins, and Muslims is one and the same language, which has developed its own specific features and has been developing its own variant standarized forms under different social and national conditions.

Since the so-called Declaration on the Name and Status of the Croat Language, which was followed by the so-called Idea to Reflect Upon which appeared in 1967, and the 1971 nationalist euphoria, these attempts have manifested themselves in different forms and also as a constant negative tendency in defining and practically implementing the language policy.

The activity from nationalist positions is also reflected in the attempts to purge the language of established scientific and technical terms, of the words established in our social life and legislature, and of some words that have, in general, become everyday expressions. Nationalists are attempting to cast doubt upon the prospects for the development of our literary language; they wish to impose, as a permanent form, the language used by past social structures (for instance, the language of feudal-bourgeoise legislatures used during the Austro-Hungarian period); or they are vandalizing the language on the model of the practice and time of the so-called NDH [Independent State of Croatia] and fascist occupation.

One of the reasons behind the nationalist and other negative tendencies in the sphere of language is the fact that organized socialist forces failed to take on adequate part in constituting and implementing the LC's language policy and the appropriate constitutional provisions, particularly in such sensitive areas as culture, science, education, and information media. The Croat LC Central Committee Presidium wishes, therefore, to emphasizes that the immediate responsibility for such a situation and phenomena rests with professional-leading cadres, the appropriate administrative bodies, and the bodies of the social decision-making and self-management, whose duty it is to implement social policy.

The LC of Croatia Central Committee Presidium condemns the behavior in the sphere of langauge, the objective of which is to misuse and manipulate the language and to introduce as many archaic forms into it as possible, and which also is aimed at artifically creating and exaggerating the differences between the language spoken in the Socialist Republic of Croatia and the one spoken in other republics and provinces. This behavior is also intended to foment national intolerance. The Croat LC Central Committee Presidium obliges its members, organizations, and leaderships to resolutely counter the nationalist and all other forms of linguistic exclusiveness and to fight for the LC's principles and policy of linguistic tolerance within the framework of the policy to promote intranational relations and to safeguard and consolidate our nations and nationalites' brotherhood and unity.

At the same time, it is the Presidium's view that optimum conditions must be created for the language's natural development and its constant enrichment and for the nurturing of the linguistic heritage of the Serbs and Croats in Croatia.

The Presidium is therefore equally opposed to all attempts and tendencies to reduce the language to a single form and to impose unitarism in the language policy and pra-practice upon the entire Serbo-Croatian linguistic territory.

The Croatian LC Central Committee Presidium demands that every citizen's constitutional right to freely use the fund of words and both alphabets -- Latin and Cyrillic -- of the Croat or Serbian language, the language which is further enriched in literary and other creative activities, should be consistently respected. This right must not be limited by any form of lector's "censorship" or by so-called expert help.

Starting from the indisputable fact that language is the people's property, and taking expert and scientific work in the language field into consideration, the Croatian LC Central Committee Presidium stresses the significance of the development of contemporary language theory, modern scientific disciplines and research, which will start from the Marxist social theory, taking into account that the social impact and responsibility of the profession on the development of language policy and practice is strengthening. Expert and scientific research work must be further developed to ensure lasting and as favorable as possible material conditions for scientific and publishing activity which contribute to the development of language and the raising of linguistic culture.

The Croatian LC Central Committee Presidium believes it necessary to publish the orthography of the Croatian or Serbian language and other necessary language reference books as soon as possible, and supports the continued publication of the Croat-Serbian language dictionary.

The Croatian LC Central Committee Presidium demands that communists in appropriate educational organizations, self-managing and other organs and organizations develop a pragmatic policy of plan and systematic education and affirmation of Marxist cadres in the linguistics and philology spheres.

The Croatian LC Central Committee Presidium particularly puts in charge the LC basic organizations in work organizations of education, culture, science, administration, administration of justice, publishing and organs of public information, and members of the League of Communists in the organs and special services of work, sociopolitical and communities of interest, to initiate, and win, the undertaking of concrete measures and actions to realize the mentioned tasks and to create a cultural and social climate, together with other working people and citizens, which will stimulate systemic work on books and projects in connection with the standard language form, linguistic culture, and language development.

Language policy and practice in public information media and publishing are not only a matter for scientists. Rather, they are eminent social matters of a wider interest. It is a constituent part, within this context, of the responsibility of the individual and organs in charge of publishing, program, and editing orientation and policy.

The Croatian LC Central Committee Presidium believes -- and this is to ensure a more successful realization of social orientations on questions of language and the coordination of language policy -- that it is necessary to realize cooperation between responsible social and political factors of the socialist republics and socialist autonomous provinces in the field of the Croatian or Serbian language.

The Croatian LC Central Committee Presidium believes that it is necessary that all questions of the social policy of language development in the SR of Croatia be raised publicly and discussed within organizations, organs, and bodies of the Croatian SAWP, as the widest front of organized socialist forces, and duty-bounds Communists within the Croatian SAWP Republican Conference to support, as part of the priority social action in the language policy, measures and actions which will contribute to efforts toward promoting language policy, the development of language culture, the curbing of all manipulations by means of language and in language, and the promotion of scientific and expert work in the area of the Croatian or Serbian language in the SR of Croatia.

The Croatian LC Central Committee Presidium believes that it is a duty of all state organs, social institutions, self-managing organs, and expert bodies, competent by the nature and area of their work, to concretely implement and promote language policy, to regularly follow all topical questions of this policy, and to undertake all necessary measures in a timely manner. The Presidium instructs members, organizations, and leaderships of the Croatian LC to proceed and act in the spirit of these stances.

Kosovo Employers Obey Language Law

AU110916 Belgrade BORBA in Serbo-Croatian 18 Nov 85 p 3

[Excerpt] Pristina, 17 Nov (TANJUG) -- Requiring knowledge of a language and alphabet of the peoples and nationalities as a special condition for employment does not go against the Constitution of the Socialist Autonomous Province of Kosovo or legal regulations.

In addition, the existing laws (the Law on Labor Relations, Law on Employment, Law on Implementing the Equality of Language and Alphabet, and the Social Accord on Employment and Employment Policy in the Province) do not contain provisions that violate the equality of working people and citizens, members of all peoples and nationalities.

This is, among other things, stated in the analysis made by the provincial committee for labor after a 2-year assessment of the self-management documents pertaining to the realization of national equality in the sphere of employment in Kosovo.

Inspecting self-managing and general documents with 1,743 organizations of associated labor and work communities, the inspection organs found out that over 75 percent of those collectives have documents that are in accord with the Law on the Equality of Languages and Alphabets of Peoples and Nationalities in the Provinces. Only in 229 collectives are there certain defects. It can be seen from the analysis that 143 organizations and communities do not envisage a knowledge of two languages as a condition for employment, while 13 organizations require a knowledge of languages and alphabets of peoples and nationalities of all performers of duties and working tasks.

Kosovo Assembly Clarifies Law

AU190812 Belgrade Politika in Serbo-Croatian 6 Dec 85 p 8

[D. B. report]

[Excerpts] The Constitutional Court of Serbia yesterday closed the hearing on the examination of the constitutionality of the challenged Law on Attaining the Equality of Language and Alphabet in the Province of Kosovo which started last year. Meanwhile, the Kosovo Assembly has supplemented and amended the disputed parts of this law, which in some of its articles brought into the question the equality of the nationalities in the province.

In addition, the matter of the language used by a party in court proceedings and the matter of taking an examination to show knowledge of two languages have now been more precisely standardized. Some terminological inaccuracies connected with the interpretation of the terms like "mother" and "own" language and alphabet have also been removed.

TANJUG DEFENDS DEFENSE BUDGET EXPENDITURE

LD161931 Belgrade TANJUG Domestic Service in Serbo-Croatian 0915 GMT 16 Dec 85

[Gordon Ranitovic commentary]

[Text] Belgrade, 16 Dec (TANJUG) -- The expenditure earmarked for the Yugoslav People's Army should represent 5.2 percent of the national income, according to a proposal for the federal budget. The Federal Executive Council and the Federal Secretariat for National Defense explained their proposal by the fact that this amount is the lower limit, below which the country's defense readiness would be threatened. Admiral of the Fleet Branko Mamula, Federal Secretary of National Defense, recently warned in a blunt report to the SFRY Assembly that, even with the 5.2 percent of the national income earmarked for the Army, not only would we not be able to halt the existing trend of lagging behind in the field of technical modernization of our Armed Forces, but we would actually slow it down!

However, there have recently been demands to review the proposed amount. According to some objections there is no clear distinction between investments in the defense of the country and other budget items. Equally confusing are discussions in which it is repeated that the investments in the Army are not controversial, but the budget is, because 64.5 percent of the proposed budget goes to resources for the Armed Forces.

Without doubt, all investments, including those for the Army, should be critically examined. However, constructive criticism should also bear in mind all the relevant arguments for and against a specific proposal. In criticism of the budget for the Army, often the tendency is to forget this.

It is not difficult to notice that the arms race is assuming gigantic proportions today. Saber rattling has become a component part of political dialogue. Economic warfare is being fought. The arms race is also imposed on small and poor countries. Thus they have to set up systems for their own defense if they wish to have an independent and stable development. A self-protective defense system which acts as a deterrent is of considerable importance here.

On the other hand, history has warned us many times that we must not lose sight of the fact that Yugoslavia has a unique international and geopolitical position. Let us add, too, the information that, of 150 major exercises and maneuvers held in Europe last year, 95 were held in southern Europe!

In real terms, the expenditure earmarked for other countries' armed forces, exclusive of big countries, increases at a rate of 15 percent per annum and it is twice as high per head than in our country. The SFRY today allocates $6,200 [currency as received] per serviceman, while other countries' allocations range between $8,200 and $20,600!

Army funds in Yugoslavia were significantly reduced in the last 5-year period. According to Yugoslavia's social plan they should represent 5.8 percent of the national income. In 1982 the Federal Secretariat of National Defense proposed that, due to the difficult economic situation in the country, this percentage be reduced to 5.2 percent. In real terms, allocations were considerably lower -- in 1984 they even went down to 4.13 percent of the national income, and furthermore they were irregular.

The realistic needs of the Yugoslav People's Army for the following medium-term period were not estimated at 5.2 percent as established in the draft planning documents, but at 6.61 percent of the national income. This amount, all the risks taken into consideration, was reduced to 5.2 percent due to a difficult economic situation in the country and it was decided that 42.76 percent of the Army budget should be earmarked for the technical modernization. One should also be aware of the fact that the income of active Army officials this on the average did not increase as much as the income of workers employed in economy and federal organs of administration.

In order to get a clearer picture of the whole situation we should say finally that. directly or indirectly, a large amount of funds are returned to the economy. A military-industrial complex has a very stimulating effect on the development of industry as a whole. Of over 400 different means of equipment and systems for the army produced in our factories, 90 percent are the result of our own development! For instance, about 1,000 organizations from all over the country joined efforts in the production of our tank, and 6,500 new technologies and technological methods are applied in its use. The Yugoslav People's Army achieves a considerable foreign exchange influx through exports; this year they amounted to $1.8 billion. The Army also assists numerous economic organizations.

It granted $86 billion dinars [currency as received] in credit in 1985 to a basic organization of associated labor whose production was in the interest of the Armed Forces. The Yugoslav People's Army units make a considerable contribution by helping the population, building roads and bridges, carrying out afforestation projects....

The proposed 5.2 percent of the national income for the Army represents, no doubt, serious damage to the economy in the present economic situation. But we must constantly bear in mind that this is the realistic price of our independence and freedom. The Army has always been the most economical "consumer" in our society, carefully weighing up how to spend every dinar it gets. Moreover, it tries in various ways and whenever possible to increase it or "return" it to the economy by stimulating its development and to society by building numerous public buildings. There is no reason why it should not continue to do so in the future.

VJESNIK EDITORIAL SURVEYS DEFENSE BUDGET DEBATE

LD170012 Belgrade TANJUG Domestic Service in Serbo-Croatian 1940 GMT 16 Dec 85

[Text] Zagreb, 16 Dec (TANJUG) -- Ever since its foundation, the Yugoslav People's Army [YPA] has been closely linked with the people. This fact, in addition to all other reasons, cannot be ignored during present discussions about the financing of the federation. This was stated in the VJESNIK editorial entitled "The Military Budget." Noting that the first reactions to the proposed federal budget indicate that the size of the funds earmarked for the financing of the YPA is in no way questioned, the paper goes on to say that the people of this country know the price of freedom and are therefore aware that even under difficult economic circumstance there can be no economizing where freedom is concerned.

The military budget has its own specific features which separate it from other forms of expenditure. One of these specific features is the fact that a considerable amount of funds are plowed back into the economy by paying for work done for the requirements of national defense. The development of the YPA plays an important role in the integration of the Yugoslav economy and its technological development.

The entire area of military-economic activity makes a significant contribution to the country's technical, technological, industrial, and overall economic development and integration in the economy. This fact alone is enough to make one realize how important the role of national defense is in our present situation. In view of the fact that these factors are sometimes overlooked when the federation's overall expenditure is being discussed, the argument about dividing the budget into the military one and a budget for other forms of expenditure becomes even more powerful.